2/30

07027046

82- SUBMISSIONS FACING SHEET

MICROFICHE CONTROL LABEL

REGISTRANT'S NAME Scottish Power Limited

*CURRENT ADDRESS 1 Atlantic Quay
Glasgow G2 8SP
Scotland

PROCESSED
OCT 03 2007
THOMSON FINANCIAL

**FORMER NAME

**NEW ADDRESS

FILE NO. 82- 35120 FISCAL YEAR

* Complete for initial submissions only ** Please note name and address changes

INDICATE FORM TYPE TO BE USED FOR WORKLOAD ENTRY:

12G3-2B	(INITIAL FILING)	☐	AR/S	(ANNUAL REPORT)	☐
12G32BR	(REINSTATEMENT)	☐	SUPPL	(OTHER)	☒
DEF 14A	(PROXY)	☐			

OICF/BY: mc

DAT : 10/2/07

88(2)

RECEIVED

2007 JUL 30 A 11: 50

Return of allotments of shares

Please complete in typescript, or in bold black capitals
CHFP109

OFFICE OF INTERNATIONAL CORPORATE FINANCE

Company Number 193794

Company Name in full Scottish Power plc

Shares allotted (including bonus shares)

Date or period during which shares were allotted
(if shares were allotted on one date enter that date in the "from" box)

From Day	From Month	From Year	To Day	To Month	To Year
28	03	2007			

Class of shares (ordinary or preference etc)	Ordinary		
Number allotted	232		
Nominal value of each shares	£ 0 42		
Amount (if any) paid or due on each	US$9 9975		

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be treated as paid up			

Consideration for which the shares were allotted
(This information must be supported by the duly stampled contract or by the duly stamped particulars on Form 88(3) if the contract is not in writing)

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

ompanies House, 37 Castle Terrace,
dinburgh, EH1 2EB **DX 235 Edinburgh**
r companies registered in Scotland

ompanies House, Crown Way, Cardiff CF14 3UZ **DX 33050 Cardiff**

FRIDAY

SCT 30/03/2007 1886
COMPANIES HOUSE

For companies registered in England and Wales

Names and addresses of the allottees

Shareholder details	Shares and Share Class allotted	
Name Guaranty Nominees Limited (CREST I D AW01C / Acct Number IDADR01)	**Class of Shares allotted**	**Number allotted**
Address JPMorgan, Chaseside, Bournemouth, Dorset BH7 7DA	Ordinary	232
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		

Please enter the number of continuation sheets (if any) attached to this form

Signed John Douglas Assistant Secretary **Date** 28/03/2007

A director / secretary / administrator / administrative receiver / receiver manager / receiver Please delete as appropriate

Please give the name address and Telephone number of the person Companies House should contact if there is any query

John Douglas
Scottish Power plc
1 Atlantic Quay
Glasgow
G2 8SP
Tel 0141 566 4563

88(2)

RECEIVED

2007 JUL 30 A

Return of allotments of shares

Please complete in typescript, or in bold black capitals
CHFP109

Company Number 193794

Company Name in full Scottish Power plc

Shares allotted (including bonus shares)

Date or period during which shares were allotted
(if shares were allotted on one date enter that date in the "from" box)

From Day	From Month	From Year	To Day	To Month	To Year
28	03	2007			

Class of shares (ordinary or preference etc)	Ordinary		
Number allotted	232		
Nominal value of each shares	£ 0 42		
Amount (if any) paid or due on each	US$7 41		

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be treated as paid up			

Consideration for which the shares were allotted
(This information muct be supported by the duly stampled contract or by the duly stamped particulars on Form 88(3) if the contract is not in writing)

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ompanies House, 37 Castle Terrace, linburgh, EH1 2EB **DX 235 Edinburgh**
r companies registered in Scotland

mpanies House, Crown Way, Cardiff CF14 3UZ **DX 33050 Cardiff**

FRIDAY

SC1 30/03/2007 1004
COMPANIES HOUSE

For companies registered in England and Wales

Names and addresses of the allottees

Shareholder details	Shares and Share Class allotted	
Name Guaranty Nominees Limited (CREST I D AW01C / Acct Number IDADR01)	**Class of Shares allotted**	**Number allotted**
Address JPMorgan, Chaseside, Bournemouth, Dorset BH7 7DA	Ordinary	232
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		

Please enter the number of continuation sheets (if any) attached to this form

Signed Assistant Secretary **Date** 28/03/2007

A director / secretary / administrator / administrative receiver / receiver manager / receiver Please delete as appropriate

Please give the name address and Telephone number of the person Companies House should contact if there is any query

John Douglas
Scottish Power plc
1 Atlantic Quay
Glasgow
G2 8SP
Tel 0141 566 4563

88(2)

RECEIVED

2007 JUL 30 A 11:41

Return of allotments of shares

Please complete in typescript, or in bold black capitals.
CHFP109

Company Number 193794

Company Name in full Scottish Power plc

Shares allotted (including bonus shares)

Date or period during which shares were allotted (if shares were allotted on one date enter that date in the "from" box)	From Day	From Month	From Year	To Day	To Month	To Year
	28	03	2007			

Class of shares (ordinary or preference etc)	Ordinary		
Number allotted	232		
Nominal value of each shares	£ 0 42		
Amount (if any) paid or due on each	US$9 9975		

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be treated as paid up			

Consideration for which the shares were allotted
(This information muct be supported by the duly stampled contract or by the duly stamped particulars on Form 88(3) if the contract is not in writing)

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

FRIDAY

COMPANIES HOUSE 1883

mpanies House, 37 Castle Terrace, nburgh, EH1 2EB **DX 235 Edinburgh**
companies registered in Scotland

mpanies House, Crown Way, Cardiff CF14 3UZ **DX 33050 Cardiff**

For companies registered in England and Wales

Names and addresses of the allottees

Shareholder details	Shares and Share Class allotted	
Name Guaranty Nominees Limited (CREST I D AW01C / Acct Number IDADR01)	**Class of Shares allotted**	**Number allotted**
Address JPMorgan, Chaseside, Bournemouth, Dorset BH7 7DA	Ordinary	232
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		

Please enter the number of continuation sheets (if any) attached to this form

Signed Assistant Secretary **Date** 28/03/2007

A director / secretary / administrator / administrative receiver / receiver manager / receiver Please delete as appropriate

Please give the name address and Telephone number of the person Companies House should contact if there is any query

John Douglas
Scottish Power plc
1 Atlantic Quay
Glasgow
G2 8SP
Tel 0141 566 4563

88(2)

RECEIVED

2001 JUL 30 A 11

Return of allotments of shares

Please complete in typescript, or in bold black capitals.
CHFP109

Company Number	193794
Company Name in full	Scottish Power plc

Shares allotted (including bonus shares)

Date or period during which shares were allotted (if shares were allotted on one date enter that date in the "from" box)	From Day	From Month	From Year	To Day	To Month	To Year
	10	04	2007			

Class of shares (ordinary or preference etc)	Ordinary		
Number allotted	72,351		
Nominal value of each shares	£ 0 42		
Amount (if any) paid or due on each	£8 245		

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be treated as paid up			

Consideration for which the shares were allotted
(This information must be supported by the duly stampled contract or by the duly stamped particulars on Form 88(3) if the contract is not in writing)

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

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

Companies House, Crown Way, Cardiff CF14 3UZ **DX 33050 Cardiff**

TUESDAY

SCT 17/04/2007 644
COMPANIES HOUSE

For companies registered in England and Wales

Names and addresses of the allottees

Shareholder details	Shares and Share Class allotted	
Name Lloyds TSB Registrars Corporate Nominee Limited A/C AESOPI	**Class of Shares allotted**	**Number allotted**
Address Highdown House, Worthing, BN13 3RA	Ordinary	72,351
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		

Please enter the number of continuation sheets (if any) attached to this form

Signed Assistant Secretary **Date** 10/04/2007

A director / secretary / administrator / administrative receiver / receiver manager / receiver Please delete as appropriate

Please give the name address and Telephone number of the person Companies House should contact if there is any query

John Douglas
Scottish Power plc
1 Atlantic Quay
Glasgow
G2 8SP
Tel 0141 566 4563

SC193794

THURSDAY

SCT 19/04/2007 1700
COMPANIES HOUSE

IN THE COURT OF SESSION

RECEIVED

SCOTTISH POWER plc, a public company incorporated under the Companies Acts with registered number SC 193794 and its registered office at 1 Atlantic Quay, Robertson Street, Glasgow G2 8SP

for

Sanction of a Scheme of Arrangement and confirmation of a Reduction of Capital

Certified Copy Interlocutor

19 April 2007 **Lord Reed**

COURT OF SESSION 19 APR 2007 SCOTLAND

Act: Sellar Q.C.; Munro, Advocate

Alt: Borland, Advocate (for Iberdrola S.A.)

The Lord Ordinary, having resumed consideration of the petition, as amended, no answers having been lodged, and having heard counsel for the petitioners and counsel for Iberdrola SA thereon, and in respect of the undertaking given by Iberdrola SA, no. 6/85 of process,

1. on cause shown, allows the petition to be further amended in terms of the Minute of Amendment, no 7 of process, and dispenses with re-advertisement of the petition as further amended;
2. on cause shown, waives the failure to give notice of the Court Meeting in the Americas edition of *The Financial Times* in terms of paragraph 4 of the Order of Lord Reed dated 23 February 2007;
3. approves of the report by Julian C A Voge, W.S., no. 9 of process;
4. sanctions, under section 425(2) of the Companies Act 1985, the scheme of arrangement as set out in Appendix 1 of the petition as amended ("the Scheme");
5. appoints the petitioner to register with the Registrar of Companies in Scotland the order of this Court sanctioning the Scheme and a copy of the Scheme as certified by the secretary of, or solicitors to, the petitioner;
6. orders notice of that registration to be given (a) once in each of *The Edinburgh Gazette*, *The Herald*, *The Scotsman* and the United Kingdom and international editions of *The Financial Times*; and (b) at the same time as notice is given of the

registration of the further order in this process confirming the reductions of capital as provided for by clauses 3, 5 and 8 of the Scheme; and decerns.

'L S Reed'

See also the note in relation to today's hearing, recorded in the Minute of Proceedings of even date

Author Donald Bruton
Depute Clerk of Session

DELIVERED 19/4/07
CERTIFIED TRUE COPY
ASSISTANT CLERK OF SESSION

COURT OF SESSION
19 APR 2007

SC193794

THURSDAY

SC1 19/04/2007 1691
COMPANIES HOUSE

CERTIFIED A TRUE COPY
FOR AND ON BEHALF OF
SHEPHERD AND WEDDERBURN LLP
19/04/07 DATE

THE SCHEME OF ARRANGEMENT

SCHEME OF ARRANGEMENT
(under section 425 of the Companies Act 1985)

between

SCOTTISH POWER PLC

and THE HOLDERS OF ITS SCHEME SHARES
(as each is hereinafter defined)

PRELIMINARY

(A) In this Scheme, the following expressions bear the following meanings

"Act"	the Companies Act 1985 (as amended),
"A1 Shares"	A1 ordinary shares of 42/2,907 pence each in the capital of the Company and having the rights set out in the ScottishPower EGM Resolution,
"A2 Shares"	A2 ordinary shares of 42/2,907 pence each in the capital of the Company and having the rights set out in the ScottishPower EGM Resolution,
"A3 Shares"	A3 ordinary shares of 42/2,907 pence each in the capital of the Company and having the rights set out in the ScottishPower EGM Resolution,
"Capital Reduction"	the proposed reductions of share capital of the Company pursuant to this Scheme,
"Cash Consideration"	the consideration payable by Iberdrola under Clause 4,
"Cash Election"	has the meaning given in Clause 2(F)(iii),
"certificated" or "in certificated form"	not in uncertificated form (that is, not in CREST),
"Certificated Holders"	Scheme Shareholders who hold Scheme Shares in certificated form immediately prior to the Reorganisation Record Time, and Certificated Holder means any one of them,
"Circular"	the document dated 26 February 2007 sent by the Company to ScottishPower Shareholders of which this Scheme forms a part,
"City Code"	the UK City Code on Takeovers and Mergers,
"Company"	Scottish Power plc, a public company incorporated in Scotland with registered number SC193794,
"Corporate Nominee"	Lloyds TSB Registrars Corporate Nominee Limited,
"Corporate Nominee Facility"	the facility under which the Corporate Nominee holds Iberdrola CDIs on behalf of former ScottishPower Shareholders who held their ScottishPower Shares in certificated form
"Court"	the Court of Session in Edinburgh, Scotland,
"Court Meeting"	the meeting of Scheme Shareholders convened by order of the Court pursuant to section 425 of the Act to consider and, if thought fit, to approve the Scheme, including any adjournment thereof,
"Court Orders"	the Sanction Court Order and the Reduction Court Order,

"CREST"	the relevant system to facilitate the transfer of title to shares in uncertificated form (as defined in the CREST Regulations) in respect of which CRESTCo is the Operator (as defined in the CREST Regulations),
"CRESTCo"	CRESTCo Limited,
"CREST Nominees"	CIN (Belgium) Limited, a member of the CREST group,
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (S I 2001 No 3755) (as amended from time to time),
"Effective Date"	the date on which Part 1 and Part 2 of the Scheme have both become effective in accordance with Clause 15,
"Election Return Date"	the date by which all Forms of Election must be received by the Company's registrars or Electronic Elections must be settled with CREST, being 3 00 p m (London time) on 19 April 2007 or such later date as may be announced by the Company (with the prior written approval of Iberdrola) to a Regulatory Information Service, such announcement being made prior to a date that would, absent such an announcement, be the Election Return Date,
"Electronic Election"	an election made by an Uncertificated Holder in respect of the Mix and Match Facility and/or the Loan Note Alternative in accordance with the procedure detailed in Part 12 of the Circular,
"Euroclear"	Euroclear Bank S A /N V as operator of the Euroclear system,
"Euroclear Nominees"	EC Nominees Limited, a member of the Euroclear group,
"Excluded Overseas Persons"	ScottishPower Shareholders in Loan Note Restricted Jurisdictions,
"Form of Election"	a form of election in the form prescribed by the Company,
"FSA"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000,
"holder"	in respect of ScottishPower Shares, a registered holder thereof together with any person(s) entitled to deal therewith, including any executor, personal representative, trustee in sequestration, trustee in bankruptcy, guardian of a registered holder under the age of legal capacity, or judicial factor,
"Iberclear"	Sociedad de Gestión de los Sistemas de Registro, Compensacion y Liquidación de Valores, S A U ,
"Iberdrola"	Iberdrola, S A , a *sociedad anónima* incorporated in Spain,
"Iberdrola By laws"	the by laws of Iberdrola in force from time to time,
"Iberdrola CDI"	a CREST depository interest representing an entitlement to a New Iberdrola Share,
"Iberdrola Shares"	the ordinary shares (*acciones ordinarias*) of €3 each in the capital of Iberdrola,
"Loan Notes"	the floating rate unsecured loan notes of Iberdrola, to be issued pursuant to the Loan Note Alternative, particulars of which are set out in Part 9 of the Circular,

"Loan Note Alternative"	the alternative whereby Scheme Shareholders (other than those in Loan Note Restricted Jurisdictions) may elect to receive Loan Notes in lieu of all or part of the cash consideration to which they would otherwise be entitled under the Scheme,
"Loan Note Election"	has the meaning given in Clause 2(E),
"Loan Note Restricted Jurisdiction"	any of the United States, Australia, Canada or Japan or any jurisdiction where extension or acceptance of the Loan Note Alternative would violate the law of that jurisdiction,
"Mix and Match Election"	an election for additional New Iberdrola Shares or cash which a holder of Scheme Shares is entitled to make under Clause 2(A),
"Mix and Match Facility"	the facility provided for in Clause 2 under which a holder of Scheme Shares may elect, subject to elections by other holders of Scheme Shares, to receive more cash or more New Iberdrola Shares in respect of his Scheme Shares than he would receive absent such an election,
"New Iberdrola Shares"	ordinary shares (*acciones ordinarias*) of €3 each in the capital of Iberdrola,
"New ScottishPower Shares"	ordinary shares of 42/2,907 pence each in the capital of the Company to be created in accordance with this Scheme and having the rights set out in the ScottishPower EGM Resolution,
"Panel"	the Panel on Takeovers and Mergers,
"Receiving Agent"	the receiving agent appointed for the purposes of the Scheme, being Lloyds TSB Registrars at The Causeway, Worthing, West Sussex, BN99 6AX and BN99 6AZ and at 3rd Floor, Princess House, 1 Suffolk Lane, London EC4R 0AX,
"Reduction Court Hearing"	the hearing by the Court of the petition to confirm the cancellation of the A1 Shares, A2 Shares and A3 Shares provided for by the Scheme under section 137 of the Act,
"Reduction Court Order"	the order of the Court confirming the Capital Reduction,
"Register of Members"	the register of members of the Company, as amended from time to time,
"Registrar of Companies"	the Registrar of Companies in Scotland,
"Regulatory Information Service"	any of the services set out in Appendix 3 to the Listing Rules of the FSA,
"Relevant Share Elections"	has the meaning given to it in Clause 2(M)(ii)(a),
"Reorganisation Record Time"	3 00 p m (London time) on the third day following the Sanction Court Hearing or such other date and/or time as ScottishPower and Iberdrola may determine (not being earlier than the Special Dividend Record Time),
"Sanction Court Hearing"	the hearing by the Court of the petition to sanction the Scheme,
"Sanction Court Order"	the order of the Court sanctioning the Scheme under section 425 of the Act,
"Scheme"	this scheme of arrangement (comprising two parts) in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Iberdrola dated 26 February 2007,

"Scheme Shares"	the ScottishPower Shares (a) in issue at the date of this Scheme, and/or (b) issued after the date of this Scheme but before the Voting Record Time, and/or (c) issued at or after the Voting Record Time and before the Reorganisation Record Time on terms that the original or any subsequent holders shall be, or shall have agreed in writing by such time to be, bound by this Scheme and the Capital Reduction, in each case other than any ScottishPower Shares beneficially owned by Iberdrola or any of its subsidiary undertakings,
"Scheme Shareholders"	holders of Scheme Shares,
"ScottishPower Articles"	the articles of association of the Company in force from time to time,
"ScottishPower EGM"	the extraordinary general meeting of the ScottishPower Shareholders convened in connection with the Scheme, or any adjournment thereof,
"ScottishPower EGM Resolution"	the resolution to be proposed by the Company at the ScottishPower EGM, which is set out in Part 17 of the Circular,
"ScottishPower Shareholders"	holders of ScottishPower Shares,
"ScottishPower Shares"	ordinary shares of 42 pence each in the capital of the Company,
"Share Election"	has the meaning given to it in Clause 2(F)(iii),
"Special Dividend Record Time"	9 00 a m (London time) on the day following the Sanction Court Hearing,
"Statement of Ownership"	a statement of ownership sent to holders of Iberdrola CDIs from the Corporate Nominee detailing the number of Iberdrola CDIs held in the Corporate Nominee Facility,
"Subscription Agreement"	the agreement to be entered into (1) on behalf of the holders of A2 Shares, (2) by or on behalf of Iberdrola, and (3) by or on behalf of Euroclear Nominees, in the form set out in Appendix A to Part 4 of the Circular with such modifications as may be agreed between ScottishPower, Iberdrola and Euroclear Nominees before the Sanction Court Hearing,
"uncertificated" or "in uncertificated form"	recorded on the relevant register as in uncertificated form in CREST and title to which may be transferred by virtue of the CREST Regulations,
"Uncertificated Holders"	Scheme Shareholders who hold Scheme Shares in a stock account in CREST immediately prior to the Reorganisation Record Time and **"Uncertificated Holder"** means any one of them, and
"Voting Record Time"	6 00 p m (London time) on the second day before the Court Meeting or, if the Court Meeting is adjourned, 48 hours before the time set for the adjourned meeting,

and references to Clauses are to clauses of this Scheme

(B) The Company was incorporated on 19 February 1999 under the Act as a public company limited by shares The authorised share capital of the Company as at 22 February (the last practicable date prior to publication of the Circular) was £1,500,000,000 84 divided into 3,114,833,355 ordinary shares of 42 pence each (of which 1,488,896,677 are fully subscribed and paid up and the remainder of the ordinary shares are unissued), 12,884,044 non cumulative preference B shares of 50 pence each (each of which is fully subscribed and paid up), 370,655,937 deferred shares of 50 pence each (each of which is fully

subscribed and paid up), one special rights non voting redeemable preference share of £1 00 (which is unissued) and 24 unclassified shares of 1 pence each (which are unissued)

(C) The holders of non cumulative preference B Shares and deferred shares are not entitled to participate in, and are not affected by, the Scheme

(D) Certain holders of Scheme Shares have different portions of their holdings recorded in the Register of Members by reference to separate designations entered in the Register of Members

(E) For the purposes of Clauses 2, 4, 6 and 9 of this Scheme, each portion of a holding which is separately designated as aforesaid, whether in certificated or uncertificated form, as at the Reorganisation Record Time, shall be treated as though it were a separate holding held at the Reorganisation Record Time by a separate person

(F) Iberdrola is a *sociedad anónima* incorporated in Spain whose corporate domicile is Cardenal Gardoqui 8, Bilbao 48008, Spain The issued share capital of Iberdrola as at the date of this Scheme was €2,704,647,543 divided into 901,549,181 ordinary shares of €3 each, which are fully subscribed and paid up

(G) At the date of this Scheme, no Scheme Shares are beneficially owned by Iberdrola or any of its subsidiary undertakings

(H) The provisions of this Scheme are subject to the Court sanctioning this Scheme and confirming the Capital Reduction provided for by Clause 3(A), 5(A) and 8(A) and certified copies of the Court Orders and the minute of the Capital Reduction attached thereto being delivered for registration to the Registrar of Companies and, in relation to the Capital Reduction, being registered by him

(I) Save as contemplated by this Scheme, the Company shall not permit the issue of any ScottishPower Shares during the period commencing on the day after the Sanction Court Hearing until the time the Scheme becomes effective on the Effective Date in accordance with Clause 15(A)

(J) Iberdrola has agreed to appear by counsel on the hearing of the petition to sanction this Scheme, to consent to this Scheme and to undertake to the Court to be bound thereby and to execute and do, or procure to be executed and done, all such documents, acts or things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme

THE SCHEME

PART 1

1 Subdivision and Reclassification of the Scheme Shares

(A) At the Reorganisation Record Time, each of the Scheme Shares shall be subdivided and reclassified into A1 Shares, A2 Shares and A3 Shares carrying the rights attached thereto by the ScottishPower EGM Resolution subdividing and reclassifying such shares

(B) The A1 Shares, A2 Shares and A3 Shares created by the subdivision and reclassification referred to in Clause 1(A) above shall have the rights and be subject to the restrictions set out in the new article 5 set out below which shall replace the current article 5 in the ScottishPower Articles and, with effect from such subdivision and reclassification, the ScottishPower Articles shall be amended accordingly (such amendment having been previously approved by the requisite majority at the ScottishPower EGM)

"5 SHARE CAPITAL

5 1 The authorised share capital of the Company is £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), A1 ordinary shares of 42/2,907 pence each (the "**A1 Shares**"), A2 ordinary shares of 42/2,907 pence each (the "**A2 Shares**"), A3 ordinary shares of 42/2,907 pence each (the "**A3 Shares**"), 12,884,044 non cumulative preference B Shares of 50 pence each, 370,655,937 deferred shares of 50 pence each, one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each

5 2 The A1 Shares, the A2 Shares and the A3 Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares, save that upon the scheme of arrangement dated 26 February 2007 between the Company and certain of the shareholders of the Company (in its form as at that date or with or subject to any modification thereof or addition thereto or condition agreed by the Company and Iberdrola, S A ("**Iberdrola**") and

which the Court may think fit to approve or impose) (the "**Scheme**") becoming effective, each A1 Share shall confer upon the holder thereof the right to receive 5/19 pence in cash, each A2 Share shall confer upon the holder thereof the right to receive 0 1646/1,387 of a new ordinary share of par value €3 in the capital of Iberdrola and each A3 Share shall confer upon the holder thereof the right to receive 5/19 pence in nominal amount of the floating rate unsecured loan notes of Iberdrola, issued in accordance with and pursuant to the terms of the Scheme"

2 Mix and Match Facility and Loan Note Alternative

(A) If any Scheme Shareholder shall validly so elect in the manner hereinafter provided in respect of some or all of his Scheme Shares, and subject to the remaining provisions of this Clause 2, the Company shall vary the proportions of A1 Shares (conferring the right to receive 5/19 pence in cash) and A2 Shares (conferring the right to receive 0 1646/1,387 of a New Iberdrola Share) to which such holder is entitled pursuant to Clause 1 so that either

(i) additional A2 Shares shall be designated to such holder in lieu of the A1 Shares which would otherwise be designated to such holder pursuant to that Clause, or

(ii) additional A1 Shares shall be designated to such holder in lieu of the A2 Shares which would otherwise be designated to such holder pursuant to that Clause,

in each case on the basis of 0 1646 of a New Iberdrola Share for every 380 pence of cash otherwise so payable to such holder provided that Mix and Match Elections will only be satisfied to the extent that other holders of Scheme Shares make equal and opposite Mix and Match Elections for cash, and vice versa

(B) If any Scheme Shareholder shall validly so elect in the manner hereinafter provided in respect of some or all of the cash consideration to which he is entitled pursuant to the terms of the Scheme, Iberdrola shall, in lieu of the payment of the Cash Consideration and subject to the remaining provisions of this Clause, allot and issue to such holder Loan Notes on the following basis

For every £1 of cash consideration	£1 nominal value of Loan Notes

(C) Elections made by Scheme Shareholders under the Mix and Match Facility and/or the Loan Note Alternative will not affect the entitlements of Scheme Shareholders who do not make any such election

(D) An election will only be accepted under the Mix and Match Facility in respect of a whole number of Scheme Shares

(E) An election under the Loan Note Alternative (a "**Loan Note Election**") will only be accepted in amounts expressed as a percentage of a Scheme Shareholder's cash entitlement under the Scheme, as such cash entitlement may, in the case of a Scheme Shareholder who has made a valid election under the Mix and Match Facility, be varied in accordance with this Clause 2 The Loan Notes shall be issued credited as fully paid and in amounts and integral multiples of £1 and the balance of any entitlement that is not a whole multiple of £1 shall not be allotted but instead the cash entitlement relating thereto shall be paid to such holder

The principal amount of Loan Notes shall be limited to a maximum nominal amount of £750 million If aggregate elections for the Loan Note Alternative are greater than £750 million, they shall be scaled down pro rata

If valid elections for the Loan Note Alternative would result in the issue of less than £20 million in nominal amount of Loan Notes in aggregate and if Iberdrola so determines, all such elections shall be invalid and of no effect and no Loan Notes shall be allotted by Iberdrola If no Loan Notes are issued pursuant to this Clause 2(E), any relevant Scheme Shareholder who made a Loan Note Election shall receive the cash entitlement they would have received pursuant to the Scheme had they not made such an election

(F)

(i) Subject to Clause 2(F)(v), the aggregate number of New Iberdrola Shares to be issued to Scheme Shareholders in accordance with Clause 6(A) will not be increased or decreased as a result of elections made pursuant to this Clause 2,

(ii) subject to Clause 2(F)(v), the aggregate amount of Cash Consideration to be paid and Loan Notes to be issued in accordance with Clauses 4 and 9(A) will not be increased or decreased as a result of elections made pursuant to this Clause 2,

(iii) subject to Clause 2(F)(v), elections under the Mix and Match Facility for New Iberdrola Shares made by Scheme Shareholders in lieu of cash which would otherwise have been paid to such holder pursuant to Clause 4 (each such election being a "**Share Election**") will be satisfied only to the extent that other Scheme Shareholders make equal and opposite elections under the Mix and Match Facility for cash in lieu of the New Iberdrola Shares which would otherwise have been issued to such holder pursuant to Clause 6(A) (each such election, irrespective of whether such elector also makes a Loan Note Election in respect of such cash, being a "**Cash Election**"),

(iv) subject to Clause 2(F)(v), Cash Elections made by Scheme Shareholders will be satisfied only to the extent that other Scheme Shareholders make equal and opposite Share Elections, and

(v) minor adjustments to the entitlements of Scheme Shareholders pursuant to elections made under this Clause 2 may be made by the Company's registrars with the prior written consent of Iberdrola on a basis that they consider to be fair and reasonable to the extent necessary to satisfy all entitlements pursuant to elections under this Scheme as nearly as may be practicable Such determinations will be final and binding on Scheme Shareholders

(G) To the extent that Share Elections or Cash Elections cannot be satisfied in full

(i) the number of Scheme Shares in respect of which an elector has made a Share Election and/or Cash Election will be scaled down pro rata (or as near thereto as Iberdrola in its absolute discretion considers practicable) amongst electors provided that in the latter case the relevant elector may elect to receive Loan Notes by making an election for the Loan Note Alternative in respect of such cash, and

(ii) in respect of the balance of the Scheme Shares held by each such elector, such Scheme Shareholder shall be deemed not to have made any election

(H) Each election under the Mix and Match Facility and the Loan Note Alternative shall be made by completion of a Form of Election which shall be executed by the Scheme Shareholder or his duly authorised agent (or, in the case of a body corporate, executed by an authorised representative) or by making an Electronic Election The instructions, terms, authorities and provisions contained in or deemed to be incorporated in the Form of Election, or an Electronic Election, constitute part of the terms of this Scheme To be effective, a Form of Election must be completed and returned in accordance with the instructions printed thereon so as to arrive by not later than the Election Return Date at Lloyds TSB Registrars at 3rd Floor, Princess House, 1 Suffolk Lane, London EC4R 0AX An Electronic Election must be made and settled by no later than the Election Return Date in order to be effective A Scheme Shareholder may make a Cash Election in respect of some of his Scheme Shares and a Share Election in respect of others

(I) If a Form of Election is received or an Electronic Election settles after the Election Return Date or if a Form of Election is received or an Electronic Election settles before such time but is not, or is deemed not to be, valid or complete in all respects at such time, then such election shall be void unless the Company and Iberdrola, in their absolute discretion, elect to treat as valid in whole or in part any such election

(J) Upon execution and delivery by a Scheme Shareholder of a valid Form of Election or the making of an Electronic Election, such holder shall be bound by the terms and provisions contained in the Form of Election or the Electronic Election and by the terms and provisions contained in Part 9 of the Circular

(K) A Form of Election duly completed and delivered or an Electronic Election made in accordance with Clause 2(H) shall, except with the consent of the Company and Iberdrola, be irrevocable

(L) If a Scheme Shareholder has made a valid election in respect of all of his Scheme Shares by inserting a tick "✓" in the appropriate box on his Form of Election in accordance with the instructions printed thereon, or by making an Electronic Election in respect of all of his Scheme Shares, then

(i) the validity of the Cash Election, the Share Election and/or the Loan Note Election (as the case may be) shall not be affected by any alteration in the number of Scheme Shares held by the Scheme Shareholder at any time prior to the Reorganisation Record Time, and

(ii) accordingly, the Cash Election, the Share Election and/or the Loan Note Election (as the case may be) will apply in respect of all of the Scheme Shares which the Scheme Shareholder holds immediately prior to the Reorganisation Record Time

(M) If a Scheme Shareholder has made a valid Cash Election and/or a valid Share Election in respect of a specified number of his Scheme Shares

(i) if immediately prior to the Reorganisation Record Time the number of Scheme Shares held by the Scheme Shareholder is equal to or in excess of the number of Scheme Shares to which such election(s) relate, then the validity of the election(s) made by the Scheme Shareholder shall not be affected by any alteration in the number of Scheme Shares held by the Scheme Shareholder at any time prior to the Reorganisation Record Time, or

(ii) if immediately prior to the Reorganisation Record Time the number of Scheme Shares held by the Scheme Shareholder is less than the aggregate number of Scheme Shares to which such election(s) relate, then

(a) Share Elections made by the Scheme Shareholder (the "**Relevant Share Elections**") shall be reduced so as to apply to the number of Scheme Shares calculated by multiplying (i) the number of Scheme Shares held by the Scheme Shareholder immediately prior to the Reorganisation Record Time by (ii) the fraction calculated by dividing the number of Scheme Shares the subject of the Relevant Share Elections by the aggregate number of Scheme Shares the subject of all of the Share Elections and Cash Elections made by the Scheme Shareholder, rounding down to the nearest whole number of Scheme Shares, and

(b) the Cash Elections made by the Scheme Shareholder shall be reduced so as to apply to all the Scheme Shares held by such holder immediately prior to the Reorganisation Record Time which are not the subject of Share Elections as scaled down pursuant to Clause 2(M)(ii)(a)

(N) The Loan Notes shall be constituted by an instrument substantially in the form already prepared and initialled for the purpose of identification by the Company and Iberdrola, with such modifications or additions, if any, as shall prior to the execution thereof be agreed between the Company and Iberdrola

(O) The Loan Note Alternative shall not be available to Excluded Overseas Persons, or a person whom Iberdrola believes to be an Excluded Overseas Person

(P) The provisions of this Clause 2 shall be subject to any prohibition or condition imposed by law Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder who is or whom Iberdrola believes to be an Excluded Overseas Person, Iberdrola is advised that the issue of Loan Notes pursuant to this Clause 2 would or may infringe the laws of any Loan Note Restricted Jurisdiction, or would or may require Iberdrola to observe any governmental or other consent to any registration, filing or other formality with which Iberdrola is unable to comply or which Iberdrola regards as unduly onerous, Iberdrola may determine that the Loan Note Alternative shall not be available to such holder and any Loan Note Election completed and delivered by such holder shall be invalid

PART 2

3 Cancellation of A1 Shares

(A) The issued ordinary share capital of the Company shall be reduced by cancelling and extinguishing all the A1 Shares

(B) Forthwith and contingently upon the capital reduction of the A1 Shares referred to in Clause 3(A) taking effect and notwithstanding any other provision in the ScottishPower Articles

(i) the authorised share capital of the Company shall be increased to its former amount by the creation of such number of New ScottishPower Shares as shall be equal to the aggregate of the number of A1 Shares cancelled pursuant to Clause 3(A), and

(ii) the reserve arising in the books of account of the Company as a result of the capital reduction of the A1 Shares shall be capitalised and applied by the Company in paying up in full at par the New ScottishPower Shares created pursuant to Clause 3(B)(i) which shall be allotted and issued (free from all liens, charges, encumbrances, rights of pre emption and any other third party rights of any nature whatsoever) credited as fully paid to Iberdrola and/or its nominee

(C) Forthwith and contingently upon the increase in authorised share capital referred to in Clause 3(B) above, the ScottishPower Articles (as amended in the form referred to in Clause 1(B) above) shall be further amended by the deletion of new article 5 referred to in Clause 1(B) above and its replacement with the following article 5

"5. AUTHORISED SHARE CAPITAL

5 1 The authorised share capital of the Company is £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), ordinary shares of 42/2,907 pence each (the "**New ScottishPower Shares**"), A2 ordinary shares of 42/2,907 pence each (the "**A2 Shares**"), A3 ordinary shares of 42/2,907 pence each (the "**A3 Shares**"), 12,884,044 non cumulative preference B Shares of 50 pence each, 370,655,937 deferred shares of 50 pence each, one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each

5 2 The New ScottishPower Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares

5 3 The A2 Shares and A3 Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares save that upon the scheme of arrangement dated 26 February 2007 between the Company and certain of the shareholders of the Company (in its form as at that date or with or subject to any modification thereof or addition thereto or condition agreed by the Company and Iberdrola, S A ("**Iberdrola**") and which the Court may think fit to approve or impose) (the "**Scheme**") becoming effective, each A2 Share shall confer upon the holder thereof the right to receive 0 1646/1,387 of a new ordinary share of par value €3 in the capital of Iberdrola and each A3 Share shall confer upon the holder thereof the right to receive 5/19 pence in nominal amount of floating rate unsecured loan notes of Iberdrola, issued in accordance with and pursuant to the terms of the Scheme "

4 Consideration for Cancellation of the A1 Shares

In consideration for the cancellation of the A1 Shares pursuant to Clause 3(A) and the reserve arising on such cancellation being applied in paying up the issue of New ScottishPower Shares to Iberdrola and/or its nominee pursuant to Clause 3(B)(ii), Iberdrola shall forthwith and contingently upon the Capital Reduction taking effect pay to or for the account of each holder of A1 Shares so cancelled 5/19 pence in cash for each A1 Share so cancelled held by that Scheme Shareholder

5 Cancellation of A2 Shares

(A) Forthwith and contingently upon the cancellation of the A1 Shares pursuant to Clause 3(A) and the issue of New ScottishPower Shares to Iberdrola and/or its nominee pursuant to Clause 3(B)(ii), the issued ordinary share capital of the Company shall be reduced by cancelling and extinguishing all the A2 Shares

(B) Forthwith and contingently upon the capital reduction of the A2 Shares referred to in Clause 5(A) taking effect and notwithstanding any other provision in the ScottishPower Articles

(i) the authorised share capital of the Company shall be increased to its former amount by the creation of such number of New ScottishPower Shares as shall be equal to the aggregate of the number of A2 Shares cancelled pursuant to Clause 5(A), and

(ii) the reserve arising in the books of account of the Company as a result of the capital reduction of the A2 Shares shall be capitalised and applied by the Company in paying up in full at par the New ScottishPower Shares created pursuant to Clause 5(B)(i) which shall be allotted and issued (free from all liens, charges, encumbrances, rights of pre emption and any other third party rights of any nature whatsoever) credited as fully paid to Iberdrola and/or its nominee

(C) Forthwith and contingently upon the increase in authorised share capital referred to in Clause 5(B) above, the ScottishPower Articles (as amended in the form referred to in Clause 3(C) above) shall be further amended by the deletion of new article 5 referred to in Clause 3(C) above and its replacement with the following article 5

"5. **AUTHORISED SHARE CAPITAL**

5 1 The authorised share capital of the Company is £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), ordinary shares of 42/2,907 pence each (the "**New ScottishPower Shares**"), A3 ordinary shares of 42/2,907 pence each (the "**A3 Shares**"), 12,884,044 non cumulative preference B Shares of 50 pence each, 370,655,937 deferred shares of 50 pence each, one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each

5 2 The New ScottishPower Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares

5 3 The A3 Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares save that, upon the scheme of arrangement dated 26 February 2007 between the Company and certain of the shareholders of the Company (in its form as at that date or with or subject to any modification thereof or addition thereto or condition agreed by the Company and Iberdrola, S A ("**Iberdrola**") and which the Court may think fit to approve or impose) (the "**Scheme**") becoming effective, each A3 Share shall confer upon the holder thereof the right to receive 5/19 pence in nominal amount of floating rate unsecured loan notes of Iberdrola, issued in accordance with and pursuant to the terms of the Scheme "

6 Consideration for cancellation of the A2 Shares

(A) In consideration for the cancellation of the A2 Shares pursuant to Clause 5(A) and the reserve arising on such cancellation being applied in paying up the issue of New ScottishPower Shares to Iberdrola and/or its nominee pursuant to Clause 5(B)(ii), Iberdrola shall forthwith, and contingently upon the Capital Reduction taking effect, allot and issue to the holders of A2 Shares so cancelled 0 1646/1,387 of a New Iberdrola Share for each A2 Share so cancelled

(B) The New Iberdrola Shares issued pursuant to Clause 6(A) shall be issued credited as fully paid and free from all liens, charges and encumbrances and shall be subject to the Iberdrola By laws, rights of pre emption and any other third party rights of any nature whatsoever and shall rank *pari passu* in all respects with all other Iberdrola Shares in issue at the time the New Iberdrola Shares are delivered under the Scheme and shall have the right to receive all dividends, distributions and other entitlements declared thereon on or after the Effective Date

7 Subscription Agreement

(A) Each holder of A2 Shares hereby authorises such person as may be appointed for this purpose by the board of directors of the Company to enter into the Subscription Agreement on behalf of such holder of A2 Shares and, upon execution by such person on behalf of all holders of A2 Shares and by Iberdrola and by Euroclear Nominees, the Subscription Agreement shall be binding on each holder of A2 Shares as if it had been entered into by such holder of A2 Shares, under the hand of such holder of A2 Shares

(B) Conditional upon this Scheme becoming effective, the board of directors of the Company shall appoint a person to enter into the Subscription Agreement on behalf of the holders of A2 Shares and the Subscription Agreement shall be entered into on their behalf as soon as practicable after the Capital Reduction provided for by Part 2 of this Scheme has become effective

8 Cancellation of the A3 Shares

(A) Forthwith and contingently upon the cancellation of the A2 Shares pursuant to Clause 5(A) and the issue of New ScottishPower Shares to Iberdrola pursuant to Clause 6(A), the issued ordinary share capital of the Company shall be reduced by cancelling and extinguishing all the A3 Shares

(B) Forthwith and contingently upon the capital reduction of the A3 Shares referred to in Clause 8(A) taking effect and notwithstanding any other provision in the ScottishPower Articles

(i) the authorised share capital of the Company shall be increased to its former amount by the creation of such number of New ScottishPower Shares as shall be equal to the aggregate of the number of A3 Shares cancelled pursuant to Clause 8(A), and

(ii) the reserve arising in the books of account of the Company as a result of the capital reduction of the A3 Shares shall be capitalised and applied by the Company in paying up in full at par the New ScottishPower Shares created pursuant to Clause 8(B)(i) which shall be allotted and issued (free from all liens, charges, encumbrances, rights of pre emption and any other third party rights of any nature whatsoever) credited as fully paid to Iberdrola and/or its nominee

(C) Forthwith and contingently upon the increase in authorised share capital referred to in Clause 8(B) above, the ScottishPower Articles (as amended in the form referred to in Clause 5(C) above) shall be further amended by the deletion of new article 5 referred to in Clause 5(C) above and its replacement with the following article 5

"5. AUTHORISED SHARE CAPITAL

5 1 The authorised share capital of the Company is £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), ordinary shares of 42/2,907 pence each (the "**New ScottishPower Shares**"), 12,884,044 non cumulative preference B Shares of 50 pence each, 370,655,937 deferred shares of 50 pence each, one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each

5 2 The New ScottishPower Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares "

9 Consideration for cancellation of the A3 Shares

(A) In consideration for the cancellation of the A3 Shares pursuant to Clause 8(A) and the reserve arising on such cancellation being applied in paying up the issue of New ScottishPower Shares to Iberdrola and/or its nominee pursuant to Clause 8(B)(ii), Iberdrola shall forthwith and contingently upon the Capital Reduction taking effect, allot and issue to the holders of A3 Shares so cancelled £1 in nominal amount of Loan Notes for every 380 A3 Shares so cancelled

(B) The Loan Notes issued pursuant to Clause 9(A) shall be issued credited as fully paid and free from all liens, charges, encumbrances and shall be subject to the terms and conditions of such Loan Notes

10 Special Dividend

Subject to the Scheme becoming effective, the Company shall pay a special dividend within 14 days of the Effective Date to all holders of Scheme Shares (as appearing in the Register of Members at the Special Dividend Record Time) on the following basis

For every ScottishPower Share	**12 pence**

11 Settlement

(A) As soon as reasonably practicable after the Effective Date and in any event within 14 days of the Effective Date, Iberdrola shall deliver such New Iberdrola Shares, cash and Loan Notes as are required to be delivered to give effect to the Scheme to the persons respectively entitled to such New Iberdrola Shares, cash and Loan Notes, such consideration to be settled as set out in this Clause 11

(i) Settlement of the New Iberdrola Shares

Iberdrola shall instruct Iberclear to credit the New Iberdrola Shares to which the relevant Scheme Shareholders are entitled to the securities deposit account of Euroclear Nominees held with Santander Central Hispano Investment, S A , as participating entity in Iberclear Iberdrola shall procure that

Euroclear Nominees shall hold such shares on trust (as bare trustee under English law) for Euroclear and that Euroclear shall in turn credit such New Iberdrola Shares to an account in the name of CREST Nominees The interest in such New Iberdrola Shares shall be held by CREST Nominees as nominee for CREST Depository Limited Shortly thereafter, CREST Depository Limited shall

(a) in the case of Certificated Holders, issue Iberdrola CDIs to the Corporate Nominee and the Corporate Nominee shall thereupon deliver a Statement of Ownership detailing the relevant shareholder's entitlement to Iberdrola CDIs, and

(b) in the case of Uncertificated Holders, issue Iberdrola CDIs, in CREST, to the Receiving Agent and Iberdrola shall procure that the Receiving Agent shall thereupon deliver, through CREST to the stock account in CREST in which each such Uncertificated Holder held Scheme Shares, such shareholder's entitlement to Iberdrola CDIs,

as soon as reasonably practicable after the Effective Date, and in any event within 14 days of the Effective Date

(ii) Settlement of the Cash Consideration

(a) Settlement of any cash consideration to which any Certificated Holder is entitled shall be settled by cheque drawn on a branch of a clearing bank in the United Kingdom and Iberdrola shall deliver or procure delivery to persons entitled thereto in accordance with the provisions of Clause 11(B) Cheques shall be despatched as soon as reasonably practicable after the Effective Date and in any event within 14 days of the Effective Date

(b) Settlement of any Cash Consideration to which any Uncertificated Holder is entitled shall be paid by means of CREST by Iberdrola procuring a CREST payment obligation in favour of such Uncertificated Holder's payment bank in respect of the Cash Consideration due as soon as reasonably practicable after the Effective Date and in any event within 14 days of the Effective Date, in accordance with the CREST payment arrangements Iberdrola reserves the right to settle all or any part of the cash consideration in the manner referred to above in Clause 11(A)(ii)(a) if, for reasons outside its reasonable control, it is not able to effect settlement through CREST in accordance with this sub paragraph

(iii) Allotment of Loan Notes

(a) Iberdrola shall allot and issue all Loan Notes which it is required to allot and issue pursuant to Clause 9 and deliver certificates therefor to the persons entitled thereto, or as they may direct, in accordance with the provisions of Clause 11(A)(iii)(b)

(b) Any Loan Notes to which a Scheme Shareholder is entitled shall be settled by despatching the certificate for such Loan Notes by first class post (or by such other method as may be approved by the Panel) addressed to the person entitled thereto to the address appearing in the Register of Members or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at the Reorganisation Record Time The certificates in respect of the Loan Notes shall be despatched as soon as reasonably practicable after the Effective Date and in any event within 14 days of the Effective Date

(iv) Payment of Special Dividend

Iberdrola shall procure payment of the special dividend by the Company in accordance with Clause 10

(B) All deliveries of notices, certificates and/or cheques required to be made pursuant to this Scheme shall be made by sending the same by first class post in pre paid envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the Register of Members at the Reorganisation Record Time or, in the case of joint holders, at the address of the holder whose name stands first in such Register in respect of the joint holding concerned at such time or in accordance with any special instructions regarding communications as may apply to such holding, and none of the Company, its registrar, Iberdrola or the Receiving Agent shall be responsible for any loss or delay in the transmission of any notices, certificates or cheques sent in accordance with this sub clause which shall instead be sent at the risk of the persons entitled thereto

(C) All cheques shall be in Sterling drawn on a UK clearing bank and shall be made payable to the holder or, in the case of joint holders, to the holder whose name stands first in the Register of Members in respect of the joint holding concerned at the Reorganisation Record Time or to such other persons (if any) as such persons may direct in writing and the despatch of any such cheque or the creation of any such CREST payment obligation as is referred to in Clause 11(A)(ii)(b) shall be a complete discharge for the monies represented thereby

12 Fractional entitlements

(A) The aggregate cash consideration to which a Scheme Shareholder is entitled under Clause 4 shall, in each case, be rounded down to the nearest whole pence

(B) The aggregate number of New Iberdrola Shares to which a Scheme Shareholder is entitled under Clause 6 shall, in each case, be rounded down to the nearest whole number

(C) No fraction of a New Iberdrola Share shall be allotted to any Scheme Shareholder, but all fractions of New Iberdrola Shares to which Scheme Shareholders would otherwise have been entitled shall be aggregated and sold in the market after the Effective Date and the net proceeds of such sale shall be paid in cash (in Sterling) to such Scheme Shareholders entitled thereto in accordance with their respective fractional entitlements

(D) Payment of any amounts to which a Scheme Shareholder is entitled under Clause 12(C) will be made in accordance with Clause 11(A)(ii)(a) or 11(A)(ii)(b), as appropriate

13 Overseas shareholders

The provisions of Clauses 2, 6, 8 and 11 shall be subject to any prohibition or condition imposed by law If in the case of any Scheme Shareholder, the law or regulation of any country or territory or its internal states or other governmental sub divisions outside the United Kingdom may preclude

(i) the allotment or issue to it of New Iberdrola Shares under Clause 6(A),

(ii) the provision to it of the right to make an election under the Mix and Match Facility and/or the Loan Note Alternative pursuant to Clause 2, or

in either case, may preclude the same except after compliance by the Company or Iberdrola (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Iberdrola (as the case may be) is unable to comply or which the Company or Iberdrola regards as onerous or in the event that Iberdrola is unable to confirm the availability of an exemption from any such formalities or whether a consent or other relief may be required without undertaking further administrative or other steps or making a request for relief or otherwise, then

(a) in the case of sub Clause (i), Iberdrola may in its sole discretion determine that such New Iberdrola Shares shall be sold, in which event the New Iberdrola Shares shall not be issued to such holder and Iberdrola shall appoint a person to act pursuant to this Clause 13 and such person shall be authorised on behalf of such holder to procure that any shares in respect of which Iberdrola has made such determination shall, as soon as practicable following the Effective Date, be sold on behalf of such person,

(b) any such sale shall be carried out at the best price which can reasonably be obtained and the net proceeds of such sale shall (after deduction of all expenses and commissions incurred in connection with such sale, including any amount in respect of value added tax thereon) be paid in cash (in Sterling) to such holder by sending a cheque to such Scheme Shareholder in accordance with Clause 11(A)(ii)(a) or 11(A)(ii)(b), as appropriate To give effect to any such sale, the person appointed by Iberdrola in accordance with Clause 13(a) above shall be authorised as attorney on behalf of the holder concerned to execute and deliver as transferor an instrument or instruction of transfer and to give such instructions and to do all other things which he may consider necessary or expedient in connection with such sale In the absence of bad faith or wilful default, none of the Company, Iberdrola, the person so appointed or any broker or agent of any of them shall have any liability for any loss arising as a result of the timing or terms of any such sale, and

(c) in the case of sub Clause (ii), no election made by such Scheme Shareholder under the Mix and Match Facility and/or the Loan Note Alternative shall be of any effect and the omission

to send a Form of Election to it shall not constitute a breach by the Company or Iberdrola (as the case may be) of any of their respective obligations under this Scheme

14 Certificates in respect of Scheme Shares

With effect from the Effective Date

(i) all certificates representing Scheme Shares shall cease to be valid as documents of title to the shares represented thereby and every holder thereof shall be bound at the request of the Company to deliver up such certificates(s) for cancellation to the Company or as it may direct, and

(ii) CRESTCo shall be instructed to cancel the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form

15 Effective Date

(A) Part 1 of this Scheme shall become effective as soon as a certified copy of the Sanction Court Order shall have been delivered to the Registrar of Companies for registration Part 2 of this Scheme shall become effective as soon as a certified copy of the Reduction Court Order and a certified copy of the minute of reduction in relation thereto shall have been duly delivered by the Company to the Registrar of Companies for registration and registered by him

(B) Unless both Part 1 and Part 2 of this Scheme shall become effective on or before 31 July 2007 or such later date, if any, as the Company and Iberdrola may agree and the Court may allow, Part 1 and Part 2 of this Scheme shall never become effective

16 Financial Assistance

The Company shall be authorised to pay out of its distributable reserves an amount of 12 pence per ScottishPower Share to any ScottishPower Shareholder whose ScottishPower Shares are transferred to Iberdrola under article 5A(C) of the ScottishPower Articles (as amended by paragraph 4 of the ScottishPower EGM Resolution to be proposed by the Company at the ScottishPower EGM convened in connection with the Scheme or any adjournment thereof) on or after the Effective Date

17 Modification

The Company and Iberdrola may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose

26 February 2007

MONDAY

SCT COMPANIES HOUSE

SC193794

COURT OF SESSION
23 APR 2007
SCOTLAND

IN THE COURT OF SESSION

SCOTTISH POWER plc, a public company incorporated under the Companies Acts with registered number SC 193794 and its registered office at 1 Atlantic Quay, Robertson Street, Glasgow G2 8SP

for

Sanction of a Scheme of Arrangement and confirmation of a Reduction of Capital

Certified Copy Interlocutor

23 April 2007 **Lord Reed**

Act: Sellar Q C.; et Mrs Munro,

Alt. Borland, Advocate (for Iberdrola SA)

The Lord Ordinary, having further resumed consideration of the petition, as amended, and proceedings, no answers having been lodged, and having heard counsel thereon,

1 approves the supplementary report (no 10 of process) by Julian C A Voge, W.S ;

2 confirms the reductions of capital as provided for by clauses 3, 5 and 8 of the scheme of arrangement as set out at Appendix 1 to the petition;

3 approves the minute (no 11 of process) ("the Minute"),

4 directs the Registrar of Companies in Scotland to register the order of this Court confirming the reductions of capital and the Minute, and

5 on the Order and Minute being so registered, orders notice of that registration to be given once in each of *The Edinburgh Gazette*, *The Herald*, *The Scotsman* and the United Kingdom and international editions of *The Financial Times*; and decerns.

"R J REED"

EDINBURGH 23/4/07
CERTIFIED
ASSISTANT CLERK OF SESSION

CERTIFIED A TRUE COPY
FOR AND ON BEHALF OF
SHEPHERD AND WEDDERBURN LLP
23/04/07 ..... DATE

MINUTE OF REDUCTION

1 In implementation of a scheme of arrangement under Section 425 of the Companies Act 1985, which was (a) approved by virtue of a special resolution passed on 30 March 2007, (b) sanctioned by the Court of Session by order dated 19 April 2007 (the **"Sanction Order"**), and (c) confirmed by the Court of Session by a further order dated 23 April 2007 (the **"Reduction Order"**), shares in the capital of Scottish Power plc (the **"Company"**) were issued and the share capital of the Company was subdivided and reclassified in the manner described in paragraph 2 of this Minute and the share capital of the Company was then successively reduced and increased in the manner described at paragraph 3 of this Minute

2 The Company's share capital prior to the reduction referred to at paragraph 1 above was as follows

2 1 Prior to the grant of the Sanction Order, the authorised share capital of the Company was £1,500,000,000 84 divided into 3,114,833,355 ordinary shares of 42 pence each (**"Ordinary Shares"**), 12,884,044 non-cumulative preference B shares of 50 pence each (**"B Shares"**), 370,655,937 deferred shares of 50 pence each (**"Deferred Shares"**), 24 unclassified shares of 1 pence each (**"Unclassified Shares"**), and one special rights non voting redeemable preference share of £1 (the **"Special Rights Share"**) Of these, 1,489,523,674 Ordinary Shares, all of the B Shares and all of the Deferred Shares were in issue and fully paid

2 2 Following the grant of the Sanction Order but prior to 3 p m on 22 April 2007 (the **"Reorganisation Record Time"**), 306,108 Ordinary Shares were issued fully paid by the Company so that immediately prior to the Reorganisation Record Time 1,489,829,782 Ordinary Shares, all of the B Shares and all of the Deferred Shares were in issue and fully paid

2 2 At the Reorganisation Record Time, the Ordinary Shares then in issue were subdivided and reclassified into 2,227,654,220,620 A1 ordinary shares of 42/2907 pence each (**"A1 Shares"**), 2,066,393,907,634 A2 ordinary shares of 42/2907 pence each (**"A2 Shares"**) and 36,887,048,020 A3 ordinary shares of 42/2907 pence each (**"A3 Shares"**)

3 Following the subdivision and reclassification of the Ordinary Shares as described in paragraph 2 2, and, upon the grant and registration of the Reduction Order, the share capital of the Company was then reduced as follows

3 1 First, the share capital was reduced from £1,500,000,000 84 as divided into 1,625,003,573 Ordinary Shares, 2,227,654,220,620 A1 Shares, 2,066,393,907,634 A2 Shares, 36,887,048,020 A3 Shares, 12,884,044 B Shares, 370,655,937 Deferred Shares, 24 Unclassified Shares and the Special Rights Share (of which all of the A1 Shares, A2 Shares, A3 Shares, B Shares and Deferred Shares were in issue and fully paid) to £1,178,151,093 84 as divided into 1,625,003,573 Ordinary Shares, 2,066,393,907,634 A2 Shares, 36,887,048,020 A3 Shares, 12,884,044 B Shares, 307,655,937 Deferred Shares, 24 Unclassified Shares and the Special Rights Share (of which all of the A2 Shares, A3 Shares, B Shares and Deferred Shares were in issue and fully paid)

3 2 That reduction (the "**First Reduction**") was effected by the cancellation of all of the A1 Shares in issue as at 23 April 2007 (the "**Effective Date**")

3 3 Upon the First Reduction becoming effective, the share capital of the Company was then increased to its former amount of £1,500,000,000 84 by the creation of 2,227,654,220,620 new ordinary shares of 42/2907 pence each (the "**new Ordinary Shares**"), all of which were issued fully paid

3 4 Following the First Reduction and recapitalisation, the share capital of the Company was reduced a second time from £1,500,000,000 84 divided into 1,625,003,573 Ordinary Shares, 2,227,654,220,620 new Ordinary Shares, 2,066,393,907,634 A2 Shares, 36,887,048,020 A3 Shares, 12,884,004 B Shares, 370,655,937 Deferred Shares, 24 Unclassified Shares and the Special Rights Share (of which all of the new Ordinary Shares, A2 Shares, A3 Shares, B Shares and Deferred Shares were in issue and fully paid) to £1,201,449,797 47 divided into 1,625,003,573 Ordinary Shares, 2,227,654,220,620 new Ordinary Shares, 36,887,048,020 A3 Shares, 12,884,044 B Shares, 307,655,937 Deferred Shares, 24 Unclassified Shares and the Special Rights Share (of which all of the new Ordinary Shares, A3 Shares, B Shares and Deferred Shares were in issue and fully paid)

3 5 That reduction (the "**Second Reduction**") was effected by the cancellation of all of the A2 Shares in issue as at the Effective Date

3 6 Upon the Second Reduction becoming effective, the share capital of the Company was again increased to its former amount of £1,500,000,000 84 by the creation of 2,066,393,907,634 new Ordinary Shares, all of which were issued fully paid

3 7 Following the Second Reduction and recapitalisation, the share capital of the Company was reduced a third time from £1,500,000,000 84 divided into 1,625,003,573 Ordinary Shares, 4,294,048,128,254 new Ordinary Shares, 36,887,048,020 A3 Shares, 12,884,004 B Shares, 370,650,937 Deferred Shares, 24 Unclassified Shares and the Special Rights Share (of which all of the new Ordinary Shares, A3 Shares, B Shares and Deferred Shares were in issue and fully paid) to £1,494,670,602 78 divided into 1,625,003,573 Ordinary Shares, 4,294,048,128,254 new Ordinary Shares, 12,884,044 B Shares, 307,655,937 Deferred Shares, 24 Unclassified Shares and the Special Rights Share (of which all of the new Ordinary Shares, B Shares and Deferred Shares were in issue and fully paid)

3 8 That reduction (the "**Third Reduction**") was effected by the cancellation of all of the A3 Shares in issue as at the Effective Date

3 9 Upon the Third Reduction becoming effective, the share capital of the Company was again increased to its former amount of £1,500,000,000 84 by the creation of 36,887,048,020 new Ordinary Shares, all of which were issued fully paid

4 As at the date of registration of this Minute, the share capital of the Company is accordingly £1,500,000,000 84 divided into 1,625,003,573 Ordinary Shares, 4,330,935,176,274 new Ordinary Shares, 12,884,044 B Shares, 370,655,937 Deferred Shares, 24 Unclassified Shares and the Special Rights Share (of which all of the new Ordinary Shares, B Shares and Deferred Shares are in issue and fully paid)

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CERTIFICATE OF REGISTRATION OF ORDER OF COURT AND MINUTE ON REDUCTION OF SHARE CAPITAL

Company Number

193794

SCOTTISH POWER PLC

having by special resolution reduced its share capital as confirmed by an Order of the Court of Session, Scotland

dated 23rd April 2007

I hereby certify the registration of the said Order and of a Minute showing the present capital and shares of the company as fixed by the said Order.

Signed at Edinburgh on 23rd April 2007

Registrar of Companies

MONDAY
SCT 23/04/2007 478
COMPANIES HOUSE

Companies House
— for the record —

THE COMPANIES ACTS 1985 AND 1989

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OFFICE OF INTERNATIONAL
CORPORATE FINANCE

MEMORANDUM and ARTICLES OF ASSOCIATION

of

SCOTTISH POWER PLC

(Adopted by a special resolution passed on 4 May 2006 and amended pursuant to a special resolution dated 30 March 2007)

Company Number 193794
Incorporated on 19 February 1999

MONDAY
SC1 23/04/2007 481
COMPANIES HOUSE

THE COMPANIES ACTS 1985 to 1989

PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

SCOTTISH POWER PLC

1 The Company's name is SCOTTISH POWER plc (Note 1)

2. The Company is to be a public company

3 The Company's registered office is to be situated in Scotland

4 The Company's objects are (Note 2)

4 1.1 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, 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

4.1.2 To carry on the businesses in all its branches of generating, transmitting, distributing and supplying electricity (including, but without prejudice to the foregoing generality, the business of a public electricity supplier under any authorisation or licence granted pursuant to the Electricity Act (or modification or re enactment thereof) or any other statute or statutory instrument) or any other form of energy and to do anything which the

Company is empowered or required to do under or by virtue of any such authorisation or licence

4 1.3 To carry on the businesses of manufacturing, supplying, servicing and dealing in all types of plant or equipment used in connection with the generation, transmission, distribution and supply of electricity or any other form of energy.

4 1 4 To explore for, produce, import or otherwise obtain any fuel or other raw materials for use in connection with the generation of electricity or any other form of energy and to process and deal in any such raw materials or any by products thereof and to process and deal in any by products which may be obtained from the activities of generating, transmitting, distributing or supplying electricity or any other form of energy

4.1.5 To carry on the businesses in all their branches of retailers, suppliers and dealers in electrical appliances, household and general domestic equipment, fixtures and fittings and all kinds of goods, equipment, materials or installations connected with the use of electricity or any other form of energy whether for domestic, industrial, commercial or other purposes.

4 1 6 To carry on the business of a water undertaker, whether pursuant to an appointment or otherwise, including but not limited to the provision, operation, development, maintenance, improvement and extension of a system of water supply, the abstraction, collection, storage, treatment, distribution and supply of water, and the provision, operation, maintenance, improvement and extension of water mains and other pipes.

4 1 7 To carry on the business of a sewerage undertaker, including but not limited to the provision, operation, development, maintenance, improvement and extension of a system of a public sewers, the removal, treatment and disposal of waste, sewerage, sludge and other effluent, and the provision, operation, emptying, cleansing, maintenance, improvement and extension of sewers and drains

4 1 8 To carry on all or any of the businesses of the running (whether under licence or otherwise), operating, managing, servicing, repairing and dealing in telecommunication and information systems and systems of all kinds for the conveyance by any means of sounds, visual images and signals of all kinds

4.1.9 To provide engineering, construction, consultancy and design services and radio and other communications systems and services, and any facilities, equipment and installations whether related to such services and systems or otherwise

4 1.10 To conduct, promote and commission research of all kinds and research and development activities of all kinds, whether related to the generation, transmission, distribution and supply of electricity or other form of energy or otherwise, and to exploit and turn to account the results of any such research or research and development carried out by or for the Company.

4 1 11 To acquire by any means and hold and deal with any heritable, real or personal property or corporeal or incorporeal rights whatsoever, whether or not for the purposes of or in connection with any of the foregoing activities, and (without prejudice to the generality of the foregoing) to purchase, take on lease or in exchange, hire or otherwise acquire and hold any heritable or real property and any estate or interest in such property, including without limitation any lands, buildings, installations, structures, servitudes, easements, fishing rights, privileges and concessions and to use, exploit and develop the same

4.1.12 To abstract and divert water from any appropriate source for use in connection with the generation of electricity, having regard to the preservation of amenity and fisheries

4 1 13 To carry on any other trade or business whatever which, in the opinion of the Directors of the Company, can be advantageously carried on in connection with or ancillary to any of the above mentioned businesses or is calculated directly or indirectly to enhance the value of, or render profitable any of, the property or rights of the Company

4.1.14 To carry on any other trade, business, including without limitation any utility business, or activity whatever which, in the opinion of the Directors of the Company, is or may be capable of being carried on directly or indirectly for the benefit of the Company

4 2 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

4 3 To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any trade marks, patents, copyrights, trade secrets, or other intellectual property rights, licences, secret processes, 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

4 4 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

4 5 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.

4.6 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.

4 7 To lend and advance money or give credit an 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)

4.8 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.

4.9 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

4.10 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

4 11 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

4 12 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, bands, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world

4 13 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

4 14 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

4 15 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

4 16 To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub contracts

4 17 To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient

4 18 To distribute among the members of the Company in kind any property of the Company of whatever nature.

4 19 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

4 20 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 including insurance for any director, officer or auditor against any liability in respect of any negligence, default, breach of duty or breach of trust (so far as permitted by law), 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 schemes to be established or maintained

4 21 Subject to and in accordance with the provisions of the Act (if and so far as such provisions shall be applicable) to give, directly or indirectly, financial assistance for the acquisition of shares or other securities of the Company or of any other company or for the reduction or discharge of any liability incurred in respect of such acquisition

4.22 To procure the Company to be registered or recognised in any part of the world

4 23 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

4.24 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.

4 25 AND so that

4.25.1 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.

4.25.2 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

4 25 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 25 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

5 The liability of the members is limited

6. The Company's share capital is £50,000 divided into 50,000 shares of £1 each.
(Notes 3, 4, 5, 6 and 7)

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	Jordans (Scotland) Limited 24 Great King Street Edinburgh EH3 6QN	One
2	Oswalds of Edinburgh Limited 24 Great King Street Edinburgh EH3 6QN	One
	Total shares taken	Two

Dated this 19th February 1999

Witness to the above Signatures

Cathie Balneaves
24 Great King Street
Edinburgh EH3 6QN

Company Registration Agent

Notes

(1) By special resolution passed on 29 April 1999 which became effective on 30 July 1999, the Company changed its name from New Scottish Power plc to Scottish Power plc

(2) By ordinary resolution passed on 29 April 1999, sub clauses 4 1 2 to 4 1 14 (inclusive) were adopted

(3) On 22 February 1999 the Company's share capital was increased to £99,998 by the creation of 49,998 redeemable shares of £1 each

(4) By ordinary resolution passed on 29 April 1999, each of the ordinary shares of £1 each in the Company's authorised capital were sub divided into ordinary shares of 50 pence each

(5) By ordinary resolution passed on 29 April 1999, the authorised share capital of the Company was increased to £850,000,001 by the creation of an additional 1,699,800,004 ordinary shares of 50 pence each and one special rights non voting redeemable preference share of £1

(6) By an ordinary resolution passed on 21 July 1999, the authorised share capital of the Company was increased to £1,500,000,001 by the creation of an additional 1,300,000,000 ordinary shares of 50 pence each ranking *pari passu* in all respects with the existing ordinary shares of 50 pence each in the capital of the Company

(7) By special resolution passed on 4 May 2006 (becoming effective 15 May 2006 or such other time and/or date as the directors of the Company may determine)

(i) one in every three of the existing issued Ordinary Shares of 50 pence in the capital of the Company held by each holder as at 6 pm on 12 May 2006, was reclassified as one non cumulative preference B Share of 50 pence each,

(ii) following such reclassification, each remaining existing Ordinary Share in the capital of the Company was subdivided into 50 unclassified shares of one pence each and forthwith upon such subdivision every 42 shares of one pence each resulting from such subdivision were consolidated into one new Ordinary Share of 42 pence (provided that no member was entitled to a fraction of a share and all fractional entitlements arising out of such subdivision and consolidation were aggregated into new Ordinary Shares and the whole number of new Ordinary Shares so arising and any remaining shares of one pence were to be sold and the net proceeds of sale to be paid in due proportion to those shareholders who would otherwise have been entitled to such fractional entitlements save that individual amounts not exceeding £3 were to be retained by the Company), and

(iii) following the reclassification and subdivision and consolidation referred to above, each authorised but unissued existing Ordinary Share was subdivided into 50 unclassified shares of one pence each and forthwith upon such subdivision every 42 shares of one pence each resulting from subdivision were consolidated into one new Ordinary Share

THE COMPANIES ACTS 1985 and 1989

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SCOTTISH POWER PLC

(adopted by a special resolution passed
on 4 May 2006 and amended pursuant to a special resolution dated 30 March 2007)

PRELIMINARY

Non application of statutory regulations

1 None of any regulations set out in any schedule to any statute or any statutory instrument concerning companies shall apply as regulations or articles of the Company

Definitions

2. In these Articles (if not inconsistent with the subject or context) the words in the first column of the table below have the following meanings

Words	Meanings
the 1985 Act	the Companies Act 1985,
the 1989 Act	the Companies Act 1989;
address	in relation to electronic communications, includes any number or address used for the purposes of such communications,
ADR Depositary	means a custodian or depositary or his nominee, approved by the Directors, under contractual arrangements with the Company by which he or that nominee holds shares in the Company and he or another person issues American depositary receipts evidencing rights in relation to those shares or a right to receive them,
ADR Holder	a person who has an interest in shares of the Company evidenced by an American depositary receipt issued by an ADR Depositary,
Appointed Proxy	has the meaning given in Article 161;

these Articles	these Articles of Association as may be from time to time altered,
auditors	the auditors for the time being of the Company,
certificated share	a share in the capital of the Company that is not an uncertificated share and references in these Articles to a share being held in certificated form shall be construed accordingly,
clear days	in relation to the sending of a notice means that period excluding the day when the notice is sent or deemed to be sent and the day for which it is sent or on which it is to take effect,
Company	Scottish Power plc (formerly called New Scottish Power plc),
Directors	the directors of the Company or those of such directors present at a duly convened meeting of the directors of the Company at which a quorum is present;
electronic signature	has the meaning given by Section 7(2) of the Electronic Communications Act 2000,
employees' share scheme	employees' share scheme as defined in Section 743 of the 1985 Act,
group	group as defined in Section 53 of the 1989 Act,
holder	in relation to shares, the member whose name is entered in the register of members as the holder of shares,
member	a member of the Company;
month	calendar month,
office	the registered office of the Company for the time being,
paid	paid or credited as paid,
parent company	parent company as defined in Section 258 of the 1985 Act;
recognised clearing house	recognised clearing house as defined in Section 285(1)(b) of the Financial Services and Markets Act 2000,

recognised investment exchange	recognised investment exchange as defined in Section 285(1)(a) of the Financial Services and Markets Act 2000,
recognised person	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange,
register of members	either or both of the issuer register of members and the Operator register of members of the Company to be kept pursuant to Section 352 of the 1985 Act,
Regulations	the Uncertificated Securities Regulations 2001 including any modification or re enactment of them for the time being in force,
seal	the common seal of the Company,
Secretary of State	the Secretary of State for Scotland;
securities seal	an official seal kept by the Company by virtue of Section 40 of the 1985 Act,
the Statutes	the 1985 Act, the 1989 Act and every other Act for the time being in force concerning companies and affecting the Company;
statutory reserve	any statutory reserve of the Company as referred to in Section 75 of the Electricity Act 1989,
Sterling	the lawful currency of the United Kingdom,
the London Stock Exchange	London Stock Exchange Limited,
subsidiary	subsidiary as defined in Section 736 of the 1985 Act,
subsidiary undertaking	subsidiary undertaking as defined in Section 258 of the 1985 Act and, for the avoidance of doubt, shall be deemed to include a subsidiary,
transfer office	the place where the register of members is situated for the time being,
transmission event	death, bankruptcy or any other event giving rise to the transmission of a person's entitlement to a share by operation of law;

treasury shares	has the meaning given by the 1985 Act, as amended by The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 and The Companies (Acquisition of Own Shares) (Treasury Shares) No 2 Regulations 2003,
uncertificated share	means (subject to Regulation 42(11)(a) of the Regulations) a share in the capital of the Company title to which is recorded on the Operator register of members of the Company and which may, by virtue of the Regulations, be transferred by means of a relevant system and references in these Articles to a share being held in uncertificated form shall be construed accordingly,
undertaking	undertaking as defined in Section 259 of the 1985 Act;
the United Kingdom	Great Britain and Northern Ireland, and
year	calendar year.

Interpretation

3 In these Articles

References to a ***document*** include, unless the context otherwise requires, references to an electronic communication

References to an ***electronic communication*** mean, unless the contrary is stated, an electronic communication (as defined in the 1985 Act) comprising writing,

References to a document being ***executed*** include references to its being executed under hand or under seal or, in the case of an electronic communication, by electronic signature,

References to an ***instrument*** mean, unless the contrary is stated, a written document having tangible form and not comprised in an electronic communication (as defined in the 1985 Act),

References to a notice or other document being ***sent*** to a person by the Company include references to such notice or other document, or a copy of such notice or other document, being sent, given, delivered, issued or made available to, or served on, that person by any method authorised by these Articles, and ***sending*** shall be construed accordingly,

References to ***writing*** mean the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether comprised in an electronic communication (as defined in the 1985 Act) or otherwise, and ***written*** shall be construed accordingly,

The expression ***the Company's bankers*** means the Company's bankers or, if the Company engages more than one bank, the Company's principal bankers as may be selected by the Directors;

The expressions ***debenture*** and ***debenture holder*** shall include ***debenture stock*** and ***debenture stockholder*** respectively,

The expression ***member present in person*** shall be deemed to include the presence of a proxy of a member or an authorised representative of a corporate member and cognate expressions shall be construed accordingly,

The expression ***Secretary*** shall (subject to and in accordance with the provisions of the Statutes) include any deputy secretary, assistant secretary and any other person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as joint secretaries shall include any one of those persons;

Any reference to days of notice shall be construed as meaning clear days,

Words denoting the singular shall include the plural and vice versa Words denoting the masculine gender shall include the feminine gender,

Any reference to a person shall be construed as including a reference to an undertaking,

Where any of the provisions of these Articles are stated to apply to an Article referred to by its number only, those provisions shall apply (where relevant) to all and any Articles designated by that number and a capital letter;

Save as aforesaid, any words or expressions defined in the 1985 Act or the 1989 Act shall (if not inconsistent with the subject or context) bear the same meaning in these Articles;

Save as aforesaid, words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Regulations have the same meaning as in the Regulations (but excluding any modification of the Regulations not in force at the date of adoption of these Articles) unless inconsistent with the subject or context;

Subject to the preceding two paragraphs, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re enactment of that provision for the time being in force,

Where for any purpose an ordinary resolution of the Company is expressed to be required under the provisions of these Articles, a special or extraordinary resolution shall also be effective; and where an extraordinary resolution is so expressed to be required, a special resolution shall also be effective;

The index, table of contents, headings and sub headings to Articles are inserted for convenience only and do not affect the construction of these Articles;

Powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them and. (a) the word ***Directors*** in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more Directors, any Director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated, (b) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation, and (c) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power, and

In relation to a share, any reference to a relevant system is a reference to the relevant system in which that share is a participating security

BUSINESS

Business activities

4 Any activity or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such activity or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with the same

CAPITAL

Share capital

5 1 The authorised share capital of the Company is £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), ordinary shares of $^{42}/_{2,907}$ pence (the "**New ScottishPower Shares**"), 12,884,044 non cumulative preference B Shares of 50 pence each, 370,655,937 deferred shares of 50 pence each, one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each

5.2 The New ScottishPower Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares

5A

(A) In this Article, the "**Scheme**" means the scheme of arrangement dated 26 February 2007, between the Company and certain of the shareholders of the Company under section 425 of the 1985 Act in its original form or with or subject to any modification, addition or condition the Court may think fit to approve or impose and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article.

(B) Notwithstanding any other provision of these Articles, if the Company issues any Ordinary Shares (other than to Iberdrola, S.A ("**Iberdrola**"), its nominee(s) or any of its subsidiaries) after the adoption of this Article and on or before the Reorganisation Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme and the holders of such shares shall be bound by the Scheme accordingly

(C) Subject to the Scheme becoming effective, if any Ordinary Shares are issued to any person after the Reorganisation Record Time, other than.

(i) under the Scheme;

(ii) to Iberdrola or its nominee(s) or any of its subsidiaries, or

(iii) to holders ("**Convertible Bondholders**") of the US $700,000,000 four per cent. step up perpetual subordinated guaranteed convertible bonds issued by Scottish Power Finance (Jersey) Limited convertible into fully paid four per cent exchangeable redeemable preference shares of Scottish Power Finance (Jersey) Limited which are guaranteed by the Company and which will be exchangeable immediately upon issue for ScottishPower Shares ("**Convertible Bonds**"), who have exercised their conversion rights under the terms of the Convertible Bonds,

(a "**New Member**") after the Reorganisation Record Time, the said shares (the "**New Member Shares**") shall be issued, subject to Article 5A(F), on terms that they shall (on the Effective Date or, if later, on issue and subject to paragraph (D) below) be immediately transferred to Iberdrola or its nominee(s) in consideration (subject as hereinafter provided) of and conditional on

(i) the payment by Iberdrola to the New Member of 400 pence in cash and the issue or transfer of 0 1646 of an ordinary share (*acción ordinaria*) of €3 in the capital of Iberdrola (an "**Iberdrola Share**") for each such New Member Share (or in the event that Iberdrola undertakes any subdivision, alteration or consolidation of its share capital, such number of shares as adjusted to reflect such subdivision, alteration or consolidation) rounded down to the nearest whole number of an Iberdrola Share (or such other proportion of cash and New Iberdrola

Shares the economic effect of which is equivalent to the payment of 400 pence in cash and the issue of 0.1646 of an Iberdrola Share) save that in the event that the law or regulation of a country or territory or its internal states or other governmental subdivisions outside the United Kingdom may preclude the allotment or issue or transfer to the New Member of Iberdrola Shares or may preclude the same except after compliance by the Company or Iberdrola (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Iberdrola (as the case may be) is unable to comply or which Iberdrola regards as onerous or in the event that Iberdrola is unable to confirm the availability of an exemption from any such formalities or whether a consent or other relief may be required without undertaking further administrative or other steps or making a request for relief or otherwise, then Iberdrola may in its sole discretion elect to allot or sell such Iberdrola Shares to a third party and remit the proceeds (net of expenses) to the New Member in lieu of 0.1646 of an Iberdrola Share Iberdrola Shares issued on or after the Effective Date, as a consequence of the exercise of options, will be delivered on the fourth Business Day after the Special Conversion Period Thereafter, participants will receive treasury shares held by Iberdrola, and

(ii) the payment by the Company to each New Member of 12 pence in cash for each New Member Share

(D) Any New Member may, before the allotment of New Member Shares pursuant to the exercise of an option under the ScottishPower Sharesave Scheme, give no less than five Business Days' (a "**Business Day**" being any day other than a Saturday or Sunday on which banks are generally open for business in the City of London, Edinburgh, New York and the city of Madrid (Spain)) written notice to the Company of his or her intention to transfer some or all of such shares to his or her spouse and may, if such notice has been validly given, on such shares being allotted to him or her immediately transfer to his or her spouse any such shares, provided that such shares will then be immediately transferred from that spouse to Iberdrola or its nominee(s) pursuant to paragraph (C) above as if the spouse were a New Member. If notice has been validly given pursuant to this paragraph (D) but the New Member does not immediately transfer to his or her spouse the shares in respect of which the notice was given, such shares will be transferred to Iberdrola or its nominee(s) pursuant to paragraph (C) above

(E) Subject to the Scheme becoming effective, if any Ordinary Shares are issued after the Reorganisation Record Time (as defined in the Scheme) to Convertible Bondholders who have exercised their conversion rights under the terms of the Convertible Bonds, other than Ordinary Shares which are issued subject to the Scheme or to Iberdrola or its nominee(s) or any of its subsidiaries, the said shares (the "**Bondholder Shares**") shall, subject to Article 5A(F), be issued on terms that they shall (on the Effective Date or, if

later, on issue) be immediately transferred to Iberdrola or its nominee(s) in consideration (subject as hereinafter provided) of and conditional on the payment by Iberdrola to the holder of such Bondholder Shares of 400 pence in cash and the issue of 0 1646 of an Iberdrola Share for each such Bondholder Share (or in the event that Iberdrola undertakes any subdivision, alteration or consolidation of its share capital, such number of shares as adjusted to reflect such subdivision, alteration or consolidation) rounded down to the nearest whole number of an Iberdrola Share (or such other proportion of cash and New Iberdrola Shares the economic effect of which is equivalent to the payment of 400 pence in cash and the issue of 0.1646 of an Iberdrola Share) save that in the event that the law or regulation of a country or territory or its internal states or other governmental subdivisions outside the United Kingdom may preclude the allotment or issue to the holder of the Bondholder Shares of Iberdrola Shares or may preclude the same except after compliance by the Company or Iberdrola (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Iberdrola (as the case may be) is unable to comply or which Iberdrola regards as onerous or in the event that Iberdrola is unable to confirm the availability of an exemption from any such formalities or whether a consent or other relief may be required without undertaking further administrative or other steps or making a request for relief or otherwise, then Iberdrola may in its sole discretion elect to allot or sell such Iberdrola Shares to a third party and remit the proceeds (net of expenses) to the holder of such Bondholder Shares in lieu of 0 1646 of an Iberdrola Share for each such Bondholder Share Subject to compliance with the applicable Spanish law requirements, the Iberdrola Shares shall be issued·

(i) in the case of Iberdrola Shares to be issued pursuant to conversion notices received from Convertible Bondholders at any time before 6 00 p m (London time) on the eighth Business Day following the Effective Date, on the twelfth Business Day following the Effective Date (the "**Second Issue Date**"),

(ii) in the case of Iberdrola Shares to be issued pursuant to the exercise of conversion rights after the Second Issue Date but before the end of the period of 60 days following the notice to Convertible Bondholders of the Effective Date or, if later, ending 60 days following the date on which notice thereof is given to Convertible Bondholders under the terms and conditions of the Convertible Bonds (the "**Special Conversion Period**"), but after the Second Issue Date, on the fourth Business Day after the end of the Special Conversion Period (the "**Third Issue Date**"), and

(iii) in the case of Iberdrola Shares to be issued pursuant to the exercise of Conversion Rights at any time after the Third Issue Date, Convertible Bondholders exercising their Conversion Rights will receive, as soon as practicable, Iberdrola Shares held as treasury stock

(F) On any reorganisation of, or material alteration to the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the cash payment per share to be paid under paragraphs (C) and (E) of this Article shall be adjusted by the Directors in such manner as they reasonably determine to be appropriate to reflect such reorganisation or alteration. References in this Article to Ordinary Shares shall, following such adjustment, be construed accordingly

(G) To give effect to any transfer of New Member Shares and/or Bondholder Shares required pursuant to paragraphs (C) and (E) above, the Company may appoint any person as attorney for the New Member and/or holder of Bondholder Shares to transfer the New Member Shares and/or Bondholder Shares to Iberdrola and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the New Member Shares and/or Bondholder Shares in Iberdrola or its nominee(s) and pending such vesting to exercise all such rights attaching to the New Member Shares and/or Bondholder Shares as Iberdrola may direct If an attorney is so appointed, the New Member and/or holder of Bondholder Shares shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of Iberdrola) be entitled to exercise any rights attaching to the New Member Shares and/or Bondholder Shares unless so agreed by Iberdrola and the attorney shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member and/or holder of Bondholder Shares (or any subsequent holder) in favour of Iberdrola and/or its nominee and the Company may give a good receipt for the purchase price of the New Member Shares and/or Bondholder Shares and may register Iberdrola and/or its nominee as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member and/or holder of Bondholder Shares for the New Member Shares and/or Bondholder Shares respectively Iberdrola shall send a cheque drawn on a UK clearing bank in favour of the New Member and/or holder of Bondholder Shares (or any subsequent holder) for the cash portion of the purchase price of such New Member Shares and/or Bondholder Shares within five Business Days of the time at which the New Member Shares and/or Bondholder Shares are issued to the New Member and/or holder of Bondholder Shares Iberdrola Shares to be issued after the Effective Date as a consequence of exercise of options or rights under the ScottishPower Share Option Plans during the Special Conversion Period will receive Iberdrola Shares on the Second Issue Date or the Third Issue Date, as applicable Thereafter they will receive Iberdrola Shares from treasury as soon as reasonably practicable

Redeemable shares and shares with special rights

6 (A) Subject to the provisions of the Statutes

(a) shares may be issued on the terms that they are, or are to be liable, to be redeemed at the option of the Company or the holder on such terms and in

such manner as may be provided by these Articles save that the date on or by which, or dates between which, any such shares are to be or may be redeemed may be fixed by the Directors (and if so fixed the date or dates must be fixed before the shares are issued),

(b) without prejudice to any rights attached to any existing shares and subject to (a) above, any shares may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, if the Company does not so determine, as the Directors may determine).

Uncertificated shares

6.(B) Subject to the provisions of the Regulations, the Directors may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security

Not separate class of shares

6 (C) Shares in the capital of the Company that fall within a certain class shall not form a separate class of shares from other shares in that class because any share in that class

(a) is held in uncertificated form; or

(b) is permitted in accordance with the Regulations to become a participating security

Exercise of Company's entitlements in respect of uncertificated shares

6 (D) Where any class of shares is a participating security and the Company is entitled under any provision of the Statutes, the Regulations or these Articles to sell, transfer or otherwise dispose of, forfeit, re allot, accept the surrender of or otherwise enforce a lien over a share held in uncertificated form, the Company shall be entitled, subject to the provisions of the Statutes, the Regulations, these Articles and the facilities and requirements of the relevant system.

(a) to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company,

(b) to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice,

(c) to require the holder of that uncertificated share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the relevant system, necessary to transfer that share within the period specified in the notice,

(d) to require the Operator to convert that uncertificated share into certified form in accordance with Regulation 32(2)(c) of the Regulations, and

(e) to take any action that the board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re allotment or surrender of that share or otherwise to enforce a lien in respect of that share

7. [*Article 7 deleted*]

VARIATION OF CLASS RIGHTS

Method of varying class rights

8 (A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to and in accordance with the provisions of the Statutes, be varied or abrogated either·

(a) with the consent of the holders of not less than three fourths of the issued shares of the class (excluding any shares of that class held as treasury shares), which consent shall be by means of one or more instruments and/or contained in one or more electronic communications sent to such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose or a combination of both; or

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

(but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two members present in person holding at least one third in nominal amount of the issued shares of the class (excluding any shares of that class held as treasury shares) (but so that, if at any adjourned meeting a quorum as above defined is not present, any one holder of shares of the class present in person shall be a quorum), that any holder of shares of the class present in person may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article 8 (A) shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes

When class rights deemed to be varied

8.(B) For the purposes of this Article 8, whenever the share capital is divided into different classes of shares, and unless otherwise expressly provided by the rights attached to any share or class of shares, those rights shall be deemed to be varied by

(a) the reduction of the capital paid up on that share or class of shares otherwise than by a purchase or redemption by the Company of its own shares, and

(b) the allotment of another share ranking in priority for payment of a dividend or in respect of capital or which confers on its holder voting rights more favourable than those conferred by that share or class of shares,

but shall not be deemed to be varied by·

(c) the creation or issue of another share ranking equally with, or subsequent to, that share or class of shares or by the purchase or redemption by the Company of its own shares, or

(d) the Company permitting, in accordance with the Regulations, the holding of and transfer of title to shares of that or any other class in uncertificated form by means of a relevant system

ALTERATION OF CAPITAL

Increase in capital

9 The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe

New shares

10 All new shares created by ordinary resolution pursuant to Articles 9 and 11 shall be.

(a) subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture, and

(b) unclassified unless otherwise provided by these Articles, by the resolution creating the shares or by the terms of allotment of the shares

Alterations permitted by ordinary resolution

11.(A) The Company may by ordinary resolution

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares,

(b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled,

(c) sub divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub divided may determine that, as between the holders of the shares resulting from such sub division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject

to any such restrictions, as the Company has power to attach to unissued or new shares.

Fractions arising

11 (B) Whenever any fractions arise as a result of a consolidation or sub division of shares, the Directors may on behalf of the members deal with the fractions as they think fit In particular, without limitation, the Directors may sell shares representing fractions to which any members would otherwise become entitled to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members Where the shares to be sold are held in certificated form the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the buyer Where the shares to be sold are held in uncertificated form, the Directors may do all acts and things they consider necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the buyer. The buyer shall not be bound to see to the application of the purchase moneys and his title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in relation to the sale

Power to purchase own shares

12. Subject to and in accordance with the provisions of the Statutes, the Company may purchase any of its own shares (including without limitation any redeemable shares) and may hold such shares as treasury shares but not unless the purchase has been sanctioned by an extraordinary resolution passed at a separate meeting of the holders of any class of convertible shares in the Company carrying rights to convert into equity share capital of the Company

Power to reduce capital

13 Subject to and in accordance with the provisions of the Statutes and to any rights attached to any shares, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner

SHARES

Allotment

14 Subject to the provisions of the Statutes relating to authority, pre emption rights and otherwise, of any resolution of the Company in general meeting passed pursuant thereto and of these Articles, all unissued shares in the Company shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper

Commissions

15. In addition to all other powers of paying commissions, the Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted Any such commissions may be paid in cash or in fully or partly paid shares of the Company, or partly in one way and partly in another, as may be arranged The Company may also on any issue of shares pay such brokerage as may be lawful

Renunciation

16 The Directors may at any time after the allotment of any share but before any person has been entered in the register of members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose

Interests not recognised

17 (A) Except as required by law or by these Articles, the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the holder or, in the case of a share warrant, in the bearer of the warrant for the time being.

Trusts may be recognised

17 (B) The Company shall be entitled, but except as required by law shall not be bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the Company. Notwithstanding any such recognition, the Company shall not be bound to see to the execution, administration or observance of any trust, whether express, implied or constructive, in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the holders of such shares as if they were the absolute owners thereof. For the purpose of this Article 17 (B), ***trust*** includes any right in respect of any shares of the Company other than an absolute right thereto in the holder thereof for the time being or such other rights in case of transmission thereof as are mentioned in these Articles.

Issue of share warrants to bearer

18 (A) The Company may, with respect to any fully paid shares, issue a warrant to bearer (hereinafter called a ***share warrant***) stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant. The Directors may decide, either generally or in any particular case or cases, that any signature on a share warrant may be applied by mechanical means or printed on it or that the share warrant need not be signed by any person

Conditions of issue

18 (B) The powers referred to in Article 18 (A) may be exercised by the Directors who may determine and vary the conditions upon which share warrants shall be issued and in particular upon which·

(a) a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed),

(b) the bearer of a share warrant shall be entitled to attend and vote at general meetings,

(c) dividends will be paid, and

(d) a share warrant may be surrendered and the name of the holder entered in the register of members in respect of the shares specified in it

Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a member for all purposes The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable thereto whether made before or after the issue of such share warrant

No right in relation to share

18 (C) The Company shall not be bound or compelled in any way to recognise any right in respect of the share represented by a share warrant other than the bearer's absolute right to the share warrant

CERTIFICATES

Authentication and form of certificates

19 (A) Every certificate for shares, warrants, debentures or other securities of the Company and every certificate relating to a participation in an employees' share scheme shall (except to the extent that the terms and conditions for the time being relating thereto otherwise provide) either (a) be issued under the seal (or under a securities seal or, in the case of shares on a branch register, an official seal for use in the relevant territory) or (b) bear the signature of one Director or the Secretary or a person authorised to subscribe the certificate on behalf of the Company or (c) both, provided that the Directors may by resolution determine, either generally or in any particular case or cases, that any such signature shall be affixed by some method or system of mechanical signature Every such Certificate shall specify the number and class of shares, debentures or other securities to which it relates and the amount paid up thereon No certificate shall be issued representing shares, debentures or other securities of more than one class No certificate need be issued in respect of shares, debentures or other securities held by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of which

the Company is not required by law to complete and have ready for delivery a certificate.

Evidence of title to securities

19 (B) Nothing in these Articles shall require title to any securities of the Company to be evidenced or transferred by an instrument, the regulations from time to time made under the Statutes so permitting The Directors shall have power to implement any procedures as they may think fit and as may accord with the Statutes and any regulations made thereunder for the recording and transferring of title to securities and for the regulation of those procedures and the persons responsible for or involved in their operation

Members' rights to certificates

20 Every member, on becoming the holder of any certificated share (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) shall be entitled, without payment, to one certificate for all the certificated shares of each class held by him (and, on transferring a part of his holding of certificated shares of any class, to a certificate for the balance of his holding of certificated shares). He may elect to receive one or more additional certificates for any of his certificated shares if he pays for every certificate after the first a reasonable sum determined from time to time by the board of Directors Every certificate shall

(a) be executed under the seal or otherwise in accordance with Article 125 or in such other manner as the Directors may approve, and

(b) specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares.

The Company shall not be bound to issue more than one certificate for certificated shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them Shares of different classes may not be included in the same certificate

Transfer of a part

21 Where a member transfers some only of the shares comprised in a share certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge

Cancellation and replacement of certificates

22.(a) Any two or more certificates representing shares of any one class held by any member may, at his request, be cancelled and a single new certificate for all such shares issued in lieu at a reasonable charge

(b) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request at a reasonable charge.

(c) If a share certificate shall be damaged, defaced, worn out, or alleged to have been lost, stolen or destroyed, it may be replaced by a new certificate on request subject to (in the case of damage, defacement or wearing out) delivery up of the certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions (if any) as to evidence and indemnity as the Directors think fit Any such replacement certificate shall be issued without charge save that, in the case of alleged loss, theft or destruction, the person to whom a new certificate is issued shall pay to the Company any exceptional out of pocket expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of the requisite form of indemnity as aforesaid

(d) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders

CALLS ON SHARES

Power to make calls

23 The Directors may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of issue thereof made payable at fixed times Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company, at the time or times and place so specified, the amount called on his shares. A call may be required to be paid in instalments and may be either revoked or postponed by the Directors in whole or in part at any time before receipt by the Company of a sum due thereunder A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made

Time when call made

24 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed

Liability of and receipts by joint holders

25 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and any one of such persons may give an effectual receipt for any return of capital payable in respect of such share

Interest payable

26 If a sum called in respect of a share is not paid in whole or in part before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of the allotment of the share or in the notice of the call or, if no rate is fixed, the rate determined by the Directors, not exceeding 15 per cent per annum or, if higher, the appropriate rate (as defined in the 1985 Act), and all expenses that may have been incurred by the Company by reason of such non payment, but the Directors shall be at liberty, in any case or cases, to waive payment of such interest and expenses, wholly or in part No dividend, or other payment or distribution, in respect of any such share shall be paid or distributed and no other rights, which would otherwise normally be exercisable in accordance with these Articles by a holder of fully paid shares, may be exercised by the holder of any share so long as any such amount, or any interest, costs, charges or expenses payable in accordance with this Article 26 in relation thereto, remains unpaid

Deemed calls

27 Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable In the case of non payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become due and payable by virtue of a call duly made and notified

Differentiation in calls

28 The Directors may, subject to the terms of the allotment, make arrangements on the issue of shares to differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment

Payments of calls in advance

29 The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him, and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made. The Company may pay interest upon the moneys so received (until and to the extent that the same would but for such advance become payable) at such rate not exceeding (unless the Company by ordinary resolution otherwise directs) 15 per cent per annum or, if higher, the appropriate rate (as defined in the 1985 Act) as the member paying such sum and the Directors agree upon No sum paid up in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend, or other payment or distribution, subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become payable

FORFEITURE, SURRENDER AND LIEN

Notice requiring payment of call on default

30 If a member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for payment thereof, the Directors may, at any time thereafter, send a notice to him requiring payment of so much of the call or instalment as is unpaid together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment

Content of notice

31. The notice shall name a further day (not being less than fourteen days from the date of sending the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that, in the event of non payment in accordance therewith, the shares on which the call was made will be liable to be forfeited

Forfeiture for non-compliance

32 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter, before payment of all calls, interest, costs, charges and expenses due in respect thereof has been received by the Company, be forfeited by a resolution of the Directors to that effect Such forfeiture shall include all dividends, and other payments or distributions, declared in respect of the forfeited share and not actually paid or distributed before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder

Notice of forfeiture

33 When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be sent to the holder of the share, or the person entitled to the share by transmission as the case may be, and, where the forfeited share is held in certificated form, an entry of such notice having been sent, and of the forfeiture with the date thereof, shall forthwith be made in the register of members opposite to the entry of the share but no forfeiture shall be, in any manner, invalidated by any omission or neglect to send such notice or to make such entry as aforesaid

Annulment of forfeiture

34 Notwithstanding any such forfeiture or surrender as aforesaid, the Directors may, at any time before the forfeited or surrendered share has been otherwise disposed of, annul the forfeiture or surrender upon the terms of payment of all calls and interest due upon and expenses incurred in connection with the call and forfeiture proceedings and upon any further or other terms they may think fit

Sale of forfeited shares

35 A share so forfeited or surrendered shall become the property of the Company and may (subject to and in accordance with the provisions of the Statutes) be sold, re allotted or otherwise disposed of, either to the person who was, before such forfeiture or surrender, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and whether with or without all or any part of the amount previously paid on the share being credited as paid Where, for the purposes of its disposal, a forfeited share held in certificated form is to be transferred to any person, the Directors may authorise any person to execute an instrument of transfer of the share to that person Where, for the purpose of its disposal, a forfeited share held in uncertificated form is to be transferred to any person, the Directors may exercise any of the Company's powers under Article 6 (D). The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share

Extinction of rights

36 A person, all or any of whose shares have been forfeited or surrendered, shall cease to be a member in respect of the forfeited or surrendered shares and shall, if the share is a certificated share, surrender the certificate for any share forfeited or surrendered to the Company for cancellation Such person shall remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender, were presently payable by him to the Company in respect of the shares, with interest thereon the rate at which interest was payable on those moneys before the forfeiture or surrender or, if no interest was payable, at the rate determined by the Directors, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined in the 1985 Act), from the date of forfeiture or surrender until payment but the Directors may waive payment of such interest either wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender

Company to have lien on shares

37 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share The Company shall also, insofar as is permitted by the Statutes, have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member, or his estate, to the Company The lien shall apply (a) notwithstanding that those debts and liabilities have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, (b) whether or not the period for the payment or discharge of the same shall have actually arrived, and (c) notwithstanding that the same are joint debts or liabilities of such member, or his estate, and any other person, whether a member of the Company or not The Company's lien (if any) on a share shall extend to all dividends and other payments or distributions payable or distributable thereon or in

respect thereof The Directors may waive any lien which has arisen and may declare any share to be exempt, wholly or partially, from the provisions of this Article 37.

Enforcement of lien by sale

38. The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless some sum, in respect of which the lien exists, is presently payable nor until the expiration of fourteen days after a notice stating and demanding payment of the sum presently payable, and sending notice of the intention to sell in default, shall have been sent to the holder for the time being of the share or the person entitled thereto by reason of a transmission event To give effect to that sale the Directors may, if the share is a certificated share, authorise any person to execute an instrument of transfer in respect of the share sold to, or in accordance with the directions of, the buyer. If the share is an uncertificated share, the Directors may exercise any of the Company's powers under Article 6.(D) to effect the sale of the share to, or in accordance with the directions of, the buyer. The buyer shall not be bound to see to the application of the purchase money and his title to the share shall not be affected by any irregularity in or invalidity of the proceedings in relation to the sale

Application of proceeds

39. The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists, so far as the same are presently payable, and any residue shall (if the share sold is a certificated share, on surrender to the Company for cancellation of the certificate in respect of the share sold and, whether the share sold is a certificated or uncertificated share, subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale.

Giving effect to the sale

40 A statutory declaration contained in an instrument that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share Such declaration, and the receipt of the Company for the consideration (if any) given for the share on the sale, re allotment or disposal thereof together with, in relation to certificated shares, the share certificate delivered to a purchaser or allottee thereof, shall (subject if necessary to the execution of an instrument of transfer or transfer by means of a relevant system, as the case may be) constitute a good title to the share and the person to whom the share is sold, re allotted or disposed of shall be registered as the holder of the share, and shall not be bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re allotment or disposal of the share, and the remedy of any

person aggrieved in respect thereof shall be in damages only and against the Company exclusively.

TRANSFER OF SHARES

Form and execution of transfers

41 Except as may be provided by any procedures implemented pursuant to Article 19 (B), all transfers of certificated shares shall be effected by an instrument in any usual or common form, or in any other form acceptable to the Directors The instrument of transfer shall be executed by, or on behalf of, the transferor and (except in the case of fully paid shares) by, or on behalf of, the transferee The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof. All transfers of uncertificated shares shall be effected in accordance with the Regulations

Suspension of registration

42 The registration of transfers may be suspended and the register of members closed, at such times and for such period as the Directors may from time to time determine and either generally or in respect of any class of shares provided that the register of members shall not be closed for more than thirty days in any year, except that the Directors may not suspend the registration of transfers of any participating security without the consent of the Operator of the relevant system

Refusal to register

43 The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of a certificated share which is not a fully paid share, provided that the refusal does not prevent dealings in the shares in the Company from taking place on an open and proper basis

Requirements for registration of transfer

44 (A) The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register the transfer of a certificated share unless the instrument of transfer (a) is in respect of only one class of share, (b) is duly stamped, or adjudged or certified as not chargeable to stamp duty, and is deposited at the transfer office, or at such other place as the Directors may from time to time determine, accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf the authority of that person so to do); and (c) is in favour of not more than four transferees jointly. In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgment of share certificates will only be necessary if, and to the extent that, certificates have been issued in respect of the shares in question

Notice of refusal to register

44 (B) If the Directors refuse to register a transfer of a share in certificated form, they shall send the transferee notice of their refusal within two months after the date on which the instrument of transfer was lodged with the Company

Retention of transfers

45. All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of refusal is given

No fee payable for registration of transfers

46 No fee will be charged by the Company in respect of the registration of any instrument of transfer, confirmation, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the register of members affecting the title to any shares

Renunciations recognised and new transfer procedures

47. Nothing in these Articles shall preclude the Directors:

(a) from recognising a renunciation of the allotment of any share by the allottee in favour of some other person, or

(b) if empowered by these Articles to authorise any person to execute an instrument of transfer of a share, from authorising any person to transfer that share in accordance with any procedures implemented pursuant to Article 19 (B)

DESTRUCTION OF DOCUMENTS

Permitted times for destruction

48 (A) The Company shall be entitled to destroy

(a) all share certificates which have been cancelled at any time after the expiration of one year from the date of such cancellation,

(b) all notifications of change of name and address and all dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of two years from the date of the recording of such notification or, as the case may be, the date of such cancellation or cessation,

(c) all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration thereof,

(d) all paid dividend warrants and cheques at any time after the expiration of two years from the date of actual payment;

(e) all proxy appointments which have been used for the purpose of a poll at any time after the expiration of one year from the date of use,

(f) all proxy appointments which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the proxy appointments relate and at which no poll was demanded; and

(g) any other documents on the basis of which any entry in the register of members has been made at any time after the expiration of six years from the date of the first entry in the register of members in respect thereof

Presumptions as to validity

48 (B) It shall conclusively be presumed in favour of the Company that (a) every entry in the register of members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, (b) that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, (c) every share certificate so destroyed was a valid and effective document duly and properly cancelled, and (d) every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company

Provided always that:

(i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid, or in any other circumstances, which would not attach to the Company in the absence of this Article 48,

(iii) references herein to the destruction of any document include references to the disposal thereof in any manner

TRANSMISSION OF SHARES

Transmission

49 (A) In case of the death of a member, the survivors or survivor where the deceased was a joint holder, or the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article 49 shall release

the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him

Registration on death, bankruptcy, etc.

49 (B) Subject to the provisions of Article 49.(A), any person becoming entitled to a share in consequence of a transmission event may (subject as hereinafter provided), upon such evidence being produced as may from time to time properly be required by the Directors, elect either to become the holder of the share or to have another person nominated by him registered as the transferee The Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before the occurrence of the transmission event

Elections required

49 (C) If a person becoming entitled by transmission to a share elects to become the holder he shall send notice to the Company to that effect If he elects to have another person registered and the share is a certificated share, he shall execute an instrument of transfer of the share to that person If he elects to have himself or another person registered and the share is an uncertificated share, he shall take any action the Directors may require (including without limitation the execution of any document and the giving of any instruction by means of a relevant system) to enable himself or that person to be registered as the holder of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the transmission event as aforesaid, had not occurred and the notice or transfer were a transfer signed by that member The Directors may at any time send a notice requiring a person becoming entitled to a share on a transmission event to elect to be registered himself or to transfer the share and, if the notice is not complied with within sixty days, the Directors may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

Rights of persons entitled by transmission

49 (D) Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a registered share in consequence of a transmission event (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the holder of the share That person may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the holder of the share, be entitled (except with the authority of the Directors) to receive notices of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a member, unless and until he shall have become a member in respect of the share

DISCLOSURE OF INTERESTS IN SHARES

Interpretation of and definitions for Article 50

50.(A) For the purposes of this Article 50·

(a) a person other than the member holding a share shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a Section 212 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested,

(b) ***interested*** shall be construed as it is for the purpose of Section 212 of the 1985 Act,

(c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (i) reference to his having failed or refused to give all or any part of it and (ii) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular,

(d) ***the prescribed period*** means fourteen days;

(e) an ***approved transfer*** means, in relation to any shares held by a member·

(i) a transfer by way of or pursuant to acceptance of a take over offer for the Company (within the meaning of Section 428(1) of the 1985 Act), or

(ii) a transfer in consequence of a sale made through a recognised investment exchange or recognised clearing house or any other stock exchange or market outside the United Kingdom on which the Company's shares are normally traded; or

(iii) a transfer which is shown to the satisfaction of the Directors to be made in consequence of a *bona fide* sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares

Disenfranchisement

50.(B) If a member, or any other person appearing to be interested in shares held by that member, has been sent a notice under Section 212 of the 1985 Act and has failed in relation to any shares (***the default shares***, which expression shall include any further shares which are allotted or issued in respect of such shares) to give the Company the information thereby required within the prescribed period from the date of sending the notice, then the Directors may, in their absolute discretion at any time

thereafter, by notice (a ***direction notice***) to such member (which shall be conclusive against such member and its validity shall not be questioned by any person) direct, with effect from sending the notice (and subject to Article 50 (D)), that:

(a) the member shall not be entitled in respect of the default shares to attend or vote (either in person or by proxy or (if the member is a corporation) by authorised representative) at any general meeting or at any separate meeting of the holders of that class of shares or on a poll; and

(b) where the default shares represent 0 25 per cent. or more in nominal value of the issued shares of their class (excluding any shares of that class held as treasury shares)·

(i) no payment shall be made by way of dividend and no share shall be allotted pursuant to Article 141 below;

(ii) no transfer of any shares held by the member shall be registered unless:

(aa) the member is not himself in default as regards supplying the information required and the member provides evidence to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer;

(bb) the transfer is an approved transfer; or

(cc) registration of the transfer is required by the Regulations

Sending notices to non-members

50 (C) The Company shall send to each other person appearing to be interested in the shares which are the subject of a direction notice, a copy of such notice at the same time as the notice is sent to the relevant member, but the failure or omission to do so, or the non receipt by that person of the copy, shall not invalidate or otherwise affect the application of Article 50 (B).

Sending notices to an ADR Depositary

50 (D) Where the member to whom the notice under Section 212 of the 1985 Act is sent is an ADR Depositary acting in its capacity as such·

(a) the obligations of the ADR Depositary as a member pursuant to the preceding provisions of this Article 50 shall be limited to disclosing to the Company such information relating to the shares in question as has in each such case been recorded pursuant to the terms of any agreement entered into between the ADR Depositary and the Company, provided that nothing in this Article 50 (D) shall in any other way restrict the powers of the Directors under this Article 50; and

(b) the sanctions under Article 50.(B) and the directions contained in any direction notice sent under Article 50 (B) shall not be effective unless the relevant direction notice sent to the ADR Depositary states that a specified ADR Holder or Holders, as the case may be, is or are believed to be interested in a specified number of shares, and that those shares are default shares (as defined in Article 50 (B) above).

Cessation of disenfranchisement

50.(E) The sanctions under Article 50 (B) above shall have effect for so long as the default in respect of which the direction notice was issued continues and shall cease to have effect

(a) if the shares are transferred by means of an approved transfer; or

(b) when the Directors are satisfied that the information required by the notice mentioned in that Article has been received in writing by the Company (such determination to be made within a period of one week of the default being duly remedied with written notice thereof being sent forthwith to the member)

The Directors may at any time send notice cancelling a direction notice.

Conversion of uncertificated shares

50 (F) The Company may exercise any of its powers under Article 6 (D) in respect of any default share that is held in uncertificated form

51 [*Article 51 deleted*]

UNTRACED SHAREHOLDERS

Power to dispose of shares of untraced shareholders

52 (A) The Company shall be entitled to sell, in such manner as the Directors see fit and at the best price reasonably obtainable, any share held by a member or any share to which a person is entitled by transmission if

(a) for a period of 12 years before the giving of notice pursuant to sub paragraph (c) no cheque or warrant for amounts payable in respect of the share, sent and payable in a manner authorised by these Articles has been cashed and no communication in respect of the share has been received by the Company from the member or person concerned,

(b) during that period at least three dividends in respect of the share have become payable,

(c) the Company has, after the expiration of that period, by advertisement in one Scottish and one leading national newspaper and in a newspaper circulating in the area to which the cheques or warrants were sent, and by notice to the Quotations Department of The London Stock Exchange if shares of the class

concerned are listed or dealt in on that exchange, given notice of its intention to sell such share, and

(d) the Company has not, during the further period of three months after the date of the advertisement and prior to the sale of the share, received any communication in respect of the share from the member or person concerned.

Power to dispose of additional shares

52 (B) The Company shall also be entitled to sell, in the manner provided for in this Article 52, any share (***additional share***) issued during the said period or periods of 12 years and 3 months in right of any share to which Article 52 (A) applies or in right of any share issued during either of such periods, provided that the requirements of sub paragraphs (a) (but modified to exclude the words "for a period of 12 years before the giving of notice pursuant to sub paragraph (c)"), (c) (but modified to exclude the words "after the expiration of that period") and (d) of Article 52 (A) are satisfied in respect of such additional share.

Transfer on sale

52 (C) To give effect to any sale pursuant to Article 52 (B), the Directors may

(a) where the shares are held in certificated form, appoint any person to execute as transferor, an instrument of transfer of the shares to, or in accordance with the directions of, the buyer, or

(b) where the shares are held in uncertificated form, do all acts and things they consider necessary or expedient to effect the transfer of the shares to, or in accordance with, the directions of the buyer.

Sale procedure and application of proceeds

52 (D) An instrument of transfer executed in accordance with Article 52 (C)(a) shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto An exercise by the Company of its powers in accordance with Article 52 (C)(b) shall be as effective as if exercised by the registered holder of or the person entitled by transmission to the shares. The Company shall be indebted to the former member or other person previously entitled to the said shares for an amount equal to the net proceeds of sale, but no trust shall be created and no interest shall be payable in respect of the proceeds of sale. The Company shall not be required to account for any money earned on the net proceeds of sale, which may be used in the Company's business or invested in such a way as the Directors may from time to time think fit

STOCK

Conversion into stock

53 Subject to the provisions of these Articles, the Company may, from time to time, by ordinary resolution, convert any fully paid shares into stock or reconvert any stock into fully paid shares of any denomination. If and whenever any shares of any class in the capital of the Company for the time being shall have been issued and be fully paid, and at that time the shares of that class previously issued shall stand converted into stock, such further shares, upon being fully paid, shall *ipso facto* be converted into stock transferable in the same units as the existing stock of that class

Transfer of stock

54 The holders of stock may transfer the same or any part thereof, unless otherwise directed by ordinary resolution of the Company, in the same manner and subject to the same regulations as those subject to which the shares from which the stock arose might, previously to conversion, have been transferred (or as near thereto as circumstances admit), but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine

Rights of stockholders

55 The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such right, privilege or advantage (except as regards participation in the dividends, profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right, privilege or advantage All the provisions of these Articles applicable to paid up shares shall apply to stock, and the words ***share*** and ***member*** shall include ***stock*** and ***holder of stock*** respectively

GENERAL MEETINGS

Types of general meetings

56. An annual general meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors All other general meetings shall be called extraordinary general meetings

Extraordinary general meetings

57 The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an extraordinary general meeting in accordance with the Statutes

General meetings at more than one place

58 (A) The Directors may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at another place designated by the Directors as a satellite meeting place. The members present in person or by proxy at any satellite meeting place shall be counted in the quorum for, and be entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to·

(a) participate in the business for which the meeting has been convened,

(b) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and

(c) be heard and seen by all other persons so present in the same way

The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

Interruption or adjournment where facilities inadequate

58 (B) If it appears to the chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in Article 58 (A), then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting All business conducted at that general meeting up to the time of that adjournment shall be valid The provisions of Article 66 shall apply to that adjournment

Other arrangements for viewing/hearing proceedings

58 (C) The Directors may make arrangements for persons entitled to attend a general meeting or an adjourned general meeting to be able to view and hear the proceedings of the general meeting or adjourned general meeting and to speak at the meeting (whether by the use of microphones, loudspeakers, audio visual communications equipment or otherwise) by attending at a venue anywhere in the world not classified as a satellite meeting place. Those attending at any such venue shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote at the meeting at or from that venue The inability for any reason of any member present in person or by proxy or any other person at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting.

Controlling level of attendance

58 (D) The Directors may from time to time make such arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant

to Article 58 (C) (including without limitation the issue of tickets or the imposition of some other means of selection) as they in their absolute discretion consider appropriate, and may from time to time change those arrangements If a member, pursuant to those arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at any other venue for which arrangements have been made pursuant to Article 58 (C) The entitlement of any member to be present at such venue in person or by proxy shall be subject to any such arrangement then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting.

Change in place and/or time of meeting

58.(E) If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors decide that it is impracticable or unreasonable for a reason beyond their control to hold the meeting at the declared place (or any of the declared places, in the case of a meeting to which Article 58.(A) applies) and/or time, it may change the place (or any of the places, in the case of a meeting to which Article 58 (A) applies) and/or postpone the time at which the meeting is to be held If such a decision is made, the Directors may then change the place (or any of the places, in the case of a meeting to which Article 58 (A) applies) and/or postpone the time again if they decide that it is reasonable to do so In either case

(a) no new notice of the meeting need be sent, but the Directors shall, if practicable, advertise the date, place and time of the meeting in at least one leading Scottish and one leading national daily newspaper and shall make arrangements for notices of the change of place and/or postponement to appear at the original place and/or at the original time, and

(b) a proxy appointment in relation to the meeting may, if by means of an instrument, be delivered to the office or such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 82 (A)(a), or, if contained in an electronic communication, be received at the address (if any) specified by or on behalf of the Company in accordance with Article 82 (A)(b) at any time not less than 48 hours before any new time appointed for holding the meeting.

Meaning of participate

58 (F) For the purposes of this Article 58, the right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote on a show of hands, vote on a poll, be represented by a proxy and have access to all documents which are required by the Statutes or these Articles to be made available at the meeting

Security

58 (G) The Directors and, at any general meeting, the chairman may make any arrangement and impose any requirement or restriction they or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place The Directors and, at any general meeting, the chairman are entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions

NOTICE OF GENERAL MEETINGS

Recipients of notice

59 (A) Subject to the provisions of the Statutes, to the provisions of these Articles and to the restrictions imposed on any shares, notice of a general meeting shall be sent to all members, to each of the Directors and to the auditors. Notice of general meetings shall also be sent to all Appointed Proxies if and to the extent that they would have been entitled under these Articles to receive such notice had they been a member.

Period of notice

59.(B) An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been sent to the Company, shall be called by twenty one clear days' notice at the least, and any other extraordinary general meeting by fourteen clear days' notice at the least sent in the manner hereinafter mentioned to the auditors and to all members and Appointed Proxies other than such as are not under the provisions of these Articles entitled to receive such notices from the Company, provided that a general meeting, notwithstanding that it has been called by shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed.

(a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat, and

(b) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

A Director shall be entitled to receive notice of, and to attend and speak at, any general meeting or class meeting, notwithstanding that he is not a member of the Company

Accidental omission to send notice

59.(C) The accidental omission to send a notice of a meeting, or to send any notification where required by the Statutes or these Articles in relation to the publication of a notice of meeting on a website, or to send a form of proxy where required by the Statutes or these Articles, to any person entitled to receive it, or the non receipt for any reason of any such notice or notification or form of proxy by that person, whether or not the Company is aware of such omission or non receipt, shall not invalidate the proceedings at that meeting.

Contents of notice

60 (a) Every notice calling a general meeting shall specify the place and the day and hour of the meeting (including without limitation any satellite meeting place arranged for the purposes of Article 58.(A), which shall be identified as such in the notice), and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

(b) In the case of an annual general meeting, the notice shall also specify the meeting as such

(c) In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect

(d) The notice shall include details of any arrangements made for the purpose of Article 58 (C) (making clear that participation in these arrangements will not amount to attendance at the meeting to which the notice relates)

Routine business

61 Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say.

(a) sanctioning or declaring dividends,

(b) receiving and/or adopting the accounts, the reports of the Directors and auditors and other documents required to be annexed to the accounts;

(c) appointing or re appointing the retiring auditors (unless they were last appointed otherwise than by the Company in general meeting);

(d) fixing the remuneration of the auditors or determining the manner in which such remuneration is to be fixed; and

(e) appointing or re appointing directors to fill vacancies arising at the meeting on retirement by rotation or otherwise

Notice of resolutions

62 The Directors shall, on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided

(a) send to the members entitled to receive notice of the next annual general meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting,

(b) send to the members entitled to receive notice of any general meeting, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting

PROCEEDINGS AT GENERAL MEETINGS

Quorum

63 No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business and during the transaction of business Three persons entitled to vote upon the business to be transacted, each being a member, the proxy of a member or a duly authorised representative of a corporation which is a member shall be a quorum.

If quorum not present

64 If within fifteen minutes from the time appointed for a general meeting (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved In any other case, or if during the transaction of business the quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same place and time, or to such other day and at such other place and time as the chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved

Chairman

65 The chairman of the Directors, failing whom one of the deputy chairmen, failing whom one of any vice chairmen (to be chosen, if more than one are present and in default of agreement amongst themselves, by lot) shall preside as chairman at a general meeting If there be no such chairman or deputy chairman or vice chairman, or if at any meeting none of them be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director is present or if all the Directors present

decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

Adjournments

66. The chairman of the meeting may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place In addition (and without prejudice to the chairman's power to adjourn a meeting conferred by Article 58 (B)), the chairman may adjourn the meeting to another place and time without such consent if it appears to him that

(a) it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present, or

(b) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or

(c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

Place and time of adjourned meetings

67 Any such adjournment pursuant to Article 66 may be to such other place (or, in the case of a meeting held at a principal meeting place and a satellite meeting place, such other places) and for such time as the chairman may, in his absolute discretion determine, notwithstanding that by reason of such adjournment some members or other persons entitled to attend and vote may be unable to be present at the adjourned meeting Any such member or any Appointed Proxy may nevertheless appoint a proxy for the adjourned meeting either in accordance with Article 82.(A)(a) or by means of an instrument which, if delivered by him to the chairman or the Secretary, shall be valid even though it is given at less notice than would otherwise be required by Article 82.(A)(a) When a meeting is adjourned for 30 days or more or for an indefinite period, notice shall be sent at least seven clear days before the date of the adjourned meeting specifying the place and time (or places, in the case of a meeting to which Article 58.(A) applies) of the adjourned meeting and the general nature of the business to be transacted Otherwise it shall not be necessary to send any notice of an adjournment or of the business to be transacted at an adjourned meeting

Amendments to resolutions

68. No amendment to a resolution duly proposed as an ordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error) unless either (a) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and the intention to move it has been lodged by means of an instrument at the registered office of the Company, or received in an

electronic communication at such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose, or (b) the chairman in his absolute discretion decides that the amendment may be considered and voted on. If an amendment shall be proposed to any resolution under consideration, but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon

Methods of voting

69 At any general meeting a resolution (other than a Special or Extraordinary Resolution) put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll as hereinafter mentioned) demanded by either

(a) the chairman of the meeting; or

(b) not less than five persons having the right to vote at the meeting,

(c) a member or members present in person holding not less than one tenth of the total voting rights of all the members having the right to vote at the meeting (excluding voting rights attached to any shares held as treasury shares); or

(d) a member or members present in person holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right (excluding any shares of that class held as treasury shares)

A demand by a person as a proxy for a member shall be the same as a demand by the member and in such case references in sub paragraphs (c) and (d) above to shares held by a member shall be deemed to be references to the shares in respect of which such person has been appointed proxy. All Special Resolutions and Extraordinary Resolutions shall be decided only on a poll

Declaration of result and conduct of poll

70 A demand for a poll may be withdrawn at any time before the conclusion of the meeting or the taking of the poll, whichever is the earlier Unless a poll is required or duly demanded (and the demand is not withdrawn) a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. Any poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of a poll shall be deemed to be the

resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

Chairman's casting vote

71. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the votes to which he may be entitled as a member or as a proxy or authorised representative of a member

When poll to be taken

72 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll held on any other question shall be taken either immediately or at such subsequent time (being not more than thirty days after the date of the meeting) and place as the chairman may direct No notice need be sent of a poll not taken immediately

Continuance of meeting

73 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made

VOTES OF MEMBERS

Right to vote

74 Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member present in person (but excluding for this purpose, the proxy of a member or the proxy of an Appointed Proxy) and entitled to vote shall have one vote, and on a poll every member present in person and entitled to vote shall have one vote for every share held by him

Votes of joint holders

75 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy or (if such senior member is a corporation) by authorised representative, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding

Member under incapacity

76 A member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) for the protection or management of the affairs of persons incapable of managing their own affairs, may vote, whether on a show of hands or on a poll, by his committee, receiver, *curator bonis* or other person in the nature of a committee, receiver or curator bonis appointed by such court, and any such committee, receiver, *curator bonis* or other person may, on a poll, vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the transfer office, or at such other place (if any) as is specified for the delivery of proxy appointments in accordance with these Articles, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting) for the taking of the poll at which it is desired to vote

Calls in arrears

77 No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to attend or vote at a general meeting either personally or by proxy or (if the member is a corporation) by authorised representative to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of shares in the Company remains unpaid

ADMISSIBILITY OF VOTES

Objections to voting

78 If (a) any objection shall be raised to the qualification of any person to vote or to the admissibility of any vote or (b) any votes have been counted which ought not to have been counted or which might have been rejected or (c) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error raised or pointed out in due time shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive

Supplementary provisions on voting

79 On a poll votes may be given either personally or by proxy or (if the member is a corporation) by authorised representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way

PROXIES

Proxy need not be member

80 A proxy need not be a member of the Company

Appointment and form of proxy

81 (A) Subject to Article 81 (C), the appointment of a proxy, whether by means of an instrument or contained in an electronic communication, shall be executed in such manner as the Directors may approve Subject thereto, the appointment of a proxy shall be executed by the appointor or his attorney or, if the appointor is a corporation, executed by a duly authorised officer, attorney or other authorised person or under its common seal For the purpose of this Article and Articles 81 (B) and 82, an electronic communication which contains a proxy appointment need not comprise writing if the Directors so determine and in such a case, if the Directors so determine, the appointment need not be executed but shall instead be subject to such conditions as the Directors may approve

81 (B) The appointment of a proxy shall be in any usual form or in any other form which the Directors may approve Subject thereto, the appointment of a proxy may be.

(a) by means of an instrument, or

(b) contained in an electronic communication sent to such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose

The Directors may, if they think fit, but subject to the provisions of the Statutes, at the Company's expense send forms of proxy for use at the meeting and issue invitations contained in electronic communications to appoint a proxy in relation to the meeting in such form as may be approved by the Directors. The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion

81 (C) A proxy may also be appointed in accordance with Article 162(ii)

81 (D) The Directors may, but shall not be bound to, require evidence of the authority of any person executing a proxy appointment on behalf of the appointor If the Directors do not require such evidence, when they otherwise determine, Article 82.(B) shall not apply and the first sentence of Article 82 (C) shall be read accordingly

Delivery of form of proxy

82 (A) Without prejudice to Article 58 (E)(b) or to the second sentence of Article 67, the appointment of a proxy shall

(a) in the case of an instrument, be delivered personally or by post to the office or such other place within the United Kingdom as may be specified by or on behalf of the Company for that purpose.

(i) in the notice convening the meeting, or

(ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting,

not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed time for holding the meeting pursuant to Article 58.(E)) at which the person named in the appointment proposes to vote, or

(b) in the case of an appointment contained in an electronic communication, where an address has been specified by or on behalf of the Company for the purpose of receiving electronic communications.

(i) in the notice convening the meeting, or

(ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting, or

(iii) in any invitation contained in an electronic communication to appoint a proxy issued by or on behalf of the Company in relation to the meeting,

be received at that address not less than 48 hours before the time for holding the meeting or adjourned meeting (or any postponed time for holding the meeting pursuant to Article 58.(E)) at which the person named in the appointment proposes to vote; or

(c) in either case, where a poll is taken more than 48 hours after it is demanded, be delivered or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, or

(d) in the case only of an instrument, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary.

82 (B) Any power of attorney or other authority contained in an instrument under which a proxy appointment is executed shall be contained in an instrument and the same or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such instrument shall be.

(a) delivered personally or by post to the office, or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 82 (A), not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed

time for holding the meeting pursuant to Article 58 (E)) at which the person named in the appointment proposes to vote, or

(b) where a poll is taken more than 48 hours after it is demanded, be delivered as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(c) in the case only of a proxy appointment by means of an instrument, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary together with the proxy appointment to which it relates

82 (C) A proxy appointment which is not delivered or received in accordance with Article 82.(A) or in respect of which Article 82 (B) has not been complied with, shall be invalid No proxy appointment shall be valid after the expiration of twelve months from the date stated in it as the date of its execution, except a power of attorney containing a power to act and vote for a member at meetings of the Company, and such a power, if once duly intimated to the Company, shall not require to be again deposited at the transfer office of the Company When two or more valid proxy appointments are delivered or received in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the other as regards that share, if the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share.

82.(D) A proxy appointment relating to more than one meeting (including any adjournment thereof) having once been sent for the purposes of any meeting shall not require again to be sent in relation to any subsequent meetings to which it relates

Issue of forms of proxy

83. Subject to the provisions of the Statutes, the Directors may, if they think fit, at the expense of the Company, issue forms of proxy for use by the members with or without prepaid postage and with or without inserting therein the names of any of the Directors or any other person as proxies

Validity of forms of proxy

84. A proxy appointment shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting, and shall also be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit The proxy appointment shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Revocation of proxy etc.

85 A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous revocation of the authority of the person voting or demanding the poll unless notice of the revocation was either delivered or received as mentioned in the following sentence at least forty eight hours before the start of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll Such notice of revocation shall be either by means of an instrument delivered to the office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 82.(A)(a) or contained in an electronic communication received at the address (if any) specified by or on behalf of the Company in accordance with Article 82 (A)(b), regardless of whether any relevant proxy appointment was effected by means of an instrument or contained in an electronic communication. For the purpose of this Article, an electronic communication which contains such notice of revocation need not comprise writing if the Directors have determined that the electronic communication which contains the relevant proxy appointment need not comprise writing

INCORPORATED MEMBERS ACTING BY REPRESENTATIVES

Authority of representatives

86 Any corporation which is a member of the Company (in this Article, the ***grantor***) may (by resolution of its directors or other governing body or by authority to be given under the hand of any officer duly authorised by it) authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any separate meeting of the holders of any class of shares A person so authorised shall be entitled to exercise the same power on behalf of the grantor of the authority (in respect of that part of the grantor's holding to which his authorisation relates, in the case of an authorisation of more than one person) as the grantor could exercise if it were an individual member of the Company, and the grantor shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it. For the purpose of this Article 86, the expression ***corporation*** shall include a company whether incorporated in the United Kingdom or overseas

DIRECTORS

Limits on number of directors

87 The number of Directors (other than alternate directors) shall not be less than four or more than sixteen The Company may, by ordinary resolution, from time to time vary the minimum and/or maximum number of Directors

Director need not be member

88 A Director shall not be required to hold a share qualification but a Director who is not a member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at all general meetings of the Company and all separate meetings of the holders of any class of shares of the Company.

Non Executive Directors' fees

89.(A) Subject to the provisions of the Statutes, the Directors may enter into, vary and terminate an agreement or arrangement with any Director who does not hold executive office for the provision of his services to the Company Subject to Article 89(B), any such agreement or arrangement may be made on such terms as the Directors may determine

89 (B) The fees paid to the Directors who do not hold executive office for their services in the office of director shall not exceed in aggregate £350,000 per annum or such higher amount as the Company may from to time by ordinary resolution determine Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Directors Any fee payable pursuant to this Article 89(B) shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to other provisions of these Articles or any contract or arrangement between the Company and the relevant Director

Directors' expenses

90 The Directors may repay to any Director all such proper and reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee or general meetings or otherwise in or about the business of the Company

Directors' remuneration

91 Any Director who is appointed to any executive office (including for this purpose the office of chairman or deputy chairman or vice chairman whether or not such office is held in an executive capacity) or who serves on any committee or who acts as trustee of a retirement benefits scheme or employees' share scheme or who otherwise performs services which, in the opinion of the Board or any committee thereof, are outside the scope of the ordinary duties of a Director or who makes any special exertions in going or residing abroad or otherwise in or about the business of the Company, may be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine

Retirement and other benefits

92 (A) Without prejudice to the general power of the Directors under these Articles to exercise on behalf of the Company (by establishment or maintenance of schemes or otherwise) all the powers of the Company to give, or procure the giving of, retirement,

death or disability benefits, annuities or other allowances, emoluments or benefits to, or for the benefit of, any person, and without restricting the generality of their other powers, the Directors shall have power to pay, and agree to pay, retirement, death or disability benefits, annuities or other allowances, emoluments or benefits to any Director, ex Director, officer or ex officer of the Company or of its predecessors in business or of any other undertaking which is (a) the parent undertaking of the Company or (b) a subsidiary undertaking of the Company or of such parent undertaking or (c) otherwise allied to or associated with the Company or any such parent undertaking or subsidiary undertaking or in which the Company or such parent undertaking or subsidiary undertaking has any interest whether directly or indirectly and to the husbands, wives, widowers, widows, children, families, dependants and personal representatives of any such Director, ex Director, officer or ex officer, and, for the purpose of providing any such benefits, annuities, allowances or emoluments, to establish or contribute to any trust, scheme, association, arrangement or fund or to pay premiums, and shall have power to establish trusts, schemes, associations, arrangements or funds considered to be for the benefit of any such persons aforesaid A Director, ex Director, officer or ex officer shall not be accountable to the Company or the members for any such benefit, annuities, allowances or emoluments, and the receipt of the same shall not disqualify any person from being or becoming a Director of the Company

Insurance

92 (B) Without prejudice to the provisions of Article 159, the Directors shall have power to purchase and maintain insurance for, or for the benefit of, any persons who are or were at any time Directors, officers or employees of the Company, or of any other undertaking which is (a) the parent undertaking of the Company or (b) a subsidiary undertaking of the Company or of such parent undertaking or (c) otherwise allied to or associated with the Company or any such parent undertaking or subsidiary undertaking or in which the Company or such parent undertaking or subsidiary undertaking has any interest whether directly or indirectly or who are or were at any time trustees of any retirement benefits scheme or employees' share scheme in which employees of the Company or of any such other undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other undertaking, retirement benefits scheme or employees' share scheme

Directors' interests in contracts with the Company

93.(A) Subject to the provisions of the Statutes and to Article 109, a Director or alternate Director may be a party to, or in any way interested in, any contract or arrangement or transaction to which the Company is a party, or in which the Company is in any way interested, and he may hold and (in addition to any other remuneration provided for by, or pursuant to, any other Article) be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or of any

subsidiary undertaking of the Company) under the Company or any other undertaking in which the Company is in any way interested, and he (or any firm of which he is a member) may act in a professional capacity for the Company, or any such other undertaking, and be remunerated therefor, and in any such case as aforesaid (unless otherwise agreed), the Director may retain, for his own absolute use and benefit, all profits and advantages accruing to him thereunder or in consequence thereof

Appointments with other undertakings

93 (B) Subject to any agreement to the contrary between the Company and the Director, a Director of the Company may be or become a director or other officer of, or otherwise interested in, any undertaking promoted by the Company or in which the Company may be interested, and (unless otherwise agreed) shall not be accountable to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of, or from his interest in, such other undertaking The Directors may also cause the voting power conferred by the shares in any other undertaking held or owned by the Company or interest or right in such undertaking to be exercised in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution or decision appointing themselves or any of them to be directors, officers or servants of, or to any other position in, such other undertaking, or voting or providing for the payment of remuneration to the directors, officers or servants of, or any holders of any other position in, such other undertaking

Executive office

94 (A) The Directors may from time to time appoint one or more of their number to be the holder of any executive office or make any appointment by them of a Director conditional upon his accepting any executive office (including, where considered appropriate, the office of chairman, deputy chairman or vice chairman, managing, joint managing, deputy or assistant managing director or chief, deputy chief or assistant chief executive) and may enter into an agreement or arrangement with any such Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made on such terms, and for such period, as they may (subject to and in accordance with the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment

When termination of appointment automatic

94 (B) The appointment of any Director to any of the executive offices specifically mentioned in Article 94 (A) above shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

When termination of appointment not automatic

94.(C) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the

contract or resolution under which he holds or is removed from office shall expressly state otherwise, in which event the termination of his office if he ceases to be a Director shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company

Delegation of powers

95. The Directors may entrust to, and confer upon, any Director any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with, or to the exclusion of, their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers

APPOINTMENT AND RETIREMENT OF DIRECTORS

Age limit

96 Any provisions of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate the office of Director on account of his having reached the age of seventy or any other age or of requiring special notice or any of the special formalities in connection with the appointment of any Director over a specified age shall not apply to the Company, provided that, in the case of the appointment of a Director who has attained the age of seventy, his age shall be stated in the notice convening the general meeting (or in any document accompanying the same) at which he is proposed to be elected or re elected.

Disqualification of a director

97 The office of Director shall be vacated in any of the following events, namely

(a) if, pursuant to any provisions of the Statutes, he is removed or prohibited from being a director,

(b) if he becomes bankrupt, insolvent, apparently insolvent or makes any arrangement or composition with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or

(c) if he is, or may be, suffering from mental disorder and/or either:

(i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or

(ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his

detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

(d) if he resigns his office by notice to the Company or, having been appointed for a fixed term, the term expires or his office as a director is vacated pursuant to Article 104, or

(e) if he shall be absent from meetings of the Directors for six consecutive months without leave and his alternate Director (if any) shall not, during such period, have attended in his stead and the Directors shall resolve that his office be vacated; or

(f) if he shall be removed from office by notice in writing sent to him signed by all his co Directors, but so that in the case of a Director holding an executive office which automatically determines on his ceasing to be a Director such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent termination of his executive office.

Number of directors to retire

98 At the annual general meeting in every year one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office, but.

(a) if any director has at the start of the annual general meeting been in office for more than three years since his last appointment or re appointment, he shall retire, and

(b) if there is only one director who is subject to retirement by rotation, he shall retire

Which directors to retire

99 Subject to the provisions of the Statutes and these Articles, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re election Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re election or appointment and so that, as between persons who became or were last re elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board of Directors of the Company at the date of the notice convening the annual general meeting and no Director shall be required to retire, or be relieved from retiring, by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting A retiring Director shall be eligible for re election

When directors deemed to be re appointed

100. The Company at the meeting at which a Director retires under any provision of these Articles may (subject to Article 102) by ordinary resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and lost If he is not reappointed or deemed to have been reappointed, be shall retain office until the meeting appoints someone in his place or, if he does not do so, until the end of the meeting

Resolution

101 A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting, unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it and any resolution moved in contravention of this provision shall be void.

Eligibility for election

102 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting unless, not less than seven nor more than twenty eight days before the day appointed for the meeting, there shall have been received at the office notice addressed to the Secretary and executed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice executed by the person to be proposed of his willingness to be elected The notice to be received from the proposing member shall state the particulars of the nominee which would, if he were appointed, be required to be included in the Company's register of directors maintained by the Company in terms of Section 288 of the 1985 Act.

Additional powers of the Company

103 The Company may, in accordance with and subject to the provisions of the Statutes, by ordinary resolution of which special notice has been given, remove any Director from office notwithstanding any provision of these Articles or of any contract between the Company and such Director (but without prejudice to any claim he may have for damages for breach of any such contract) and by ordinary resolution appoint another person in place of a Director so removed from office, and any person so appointed shall be treated, for the purpose of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director In default of such appointment, the vacancy arising upon the removal of a Director from office may be filled by the Directors as a casual vacancy

Appointment by ordinary resolution or by directors

104. The Company may, by ordinary resolution, appoint any person to be a Director either to fill a casual vacancy or as an additional Director and without prejudice and in addition thereto, the Directors shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that, in either case, the total number of Directors shall not at any time exceed the maximum number (if any) fixed by, or in accordance with, these Articles. Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting

ALTERNATE DIRECTORS

Power to appoint alternate directors

105 (A) Any Director (other than an alternate director) may at any time, by notice executed by the Director, appoint any person (including another Director) to be his alternate Director, and may, in like manner, at any time terminate such appointment. If such alternate Director is not another Director, such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved Subject to the preceding sentence of this Article, such appointment or termination shall take effect in accordance with the terms of the notice on receipt of such notice by the Company which shall, in the case of a notice contained in an instrument, be sent to the office and addressed to the Secretary, or otherwise be delivered at a meeting of the Directors or, in the case of a notice contained in an electronic communication, be sent to such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose. Any of the Directors may appoint the same alternate Director. For the purposes of this Article, an electronic communication which contains an appointment or termination need not comprise writing if the Directors so determine and in such a case, if the Directors so determine, the appointment or termination need not be executed but shall instead be subject to such conditions as the Directors may approve

Termination

105.(B) The appointment of an alternate Director shall automatically determine on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases to be a Director or if the approval of the Directors to his appointment is withdrawn, provided that if, at any meeting, any Director retires by rotation or otherwise but is re elected at the same meeting, any appointment made by him pursuant to this Article 105 which was in force immediately before his retirement shall remain in force as though he had not retired. An alternate Director may, by sending notice to the office of the Company, resign such appointment. Such notice shall be sent to the Company in the same manner as is referred to in Article 105 (A) and shall take effect upon receipt of the same by the Company

Alternate to receive notices

105 (C) An alternate Director shall (except when absent from the United Kingdom) be entitled, if his appointor so requests, to receive notices of meetings of the Directors to the same extent as the Director appointing him and shall be entitled to attend and vote as a Director and be counted for the purposes of a quorum at any such meeting at which the Director appointing him is not personally present and, generally, at such meeting to perform all functions, powers and duties of his appointor as a Director and, for the purposes of the proceedings at such meeting, the provisions of these Articles shall apply as if he were a Director If he shall himself be a Director, or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall count as only one for the purpose of determining whether a quorum is present. If his Appointor is for the time being absent from the United Kingdom, or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor To such extent as the Directors may from time to time determine in relation to any committees formed under Article 114 (A), this Article 105.(C) shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles

Alternate may be paid expenses but not remuneration

105 (D) An alternate Director may be repaid expenses, and shall be entitled to be indemnified, by the Company to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company any remuneration in respect of his services as an alternate Director, except only such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice to the Company from time to time direct

Alternate not an agent of appointor

105 (E) Except as otherwise expressly provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director Accordingly, except where the context otherwise requires, a reference to a Director shall be deemed to include a reference to an alternate Director An alternate Director shall be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him

PROCEEDINGS OF DIRECTORS

Meetings of directors

106 Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes In case of an equality of votes, the chairman of the meeting shall have a second or casting vote A Director may, and the Secretary on the requisition of a Director shall,

at any time summon a meeting of the Directors Notice of a meeting of the Directors shall be deemed to be properly sent to a Director if it is sent to him personally or by word of mouth or sent by instrument to him at his last known address or such other address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose or sent using electronic communications to such address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose. A Director absent or intending to be absent from the United Kingdom may request the Directors that notices of meetings of Directors shall, during his absence, be sent by instrument to him at such address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose or sent using electronic communications to such address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose but, in the absence of any such request, it shall not be necessary to send notice of a meeting of Directors to any Director for the time being absent from the United Kingdom A Director may waive notice of any meeting either prospectively or retrospectively Without prejudice to the first sentence of this Article 106, a meeting of the Directors, or of a committee of the Directors, may consist of a conference between Directors who are not all in one place, but of whom each is able, directly or by telephonic or other communication, to speak to each of the others and to be heard by each of the others simultaneously. A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the chairman of the meeting then is. The word ***meeting*** in these Articles shall be construed accordingly Any electronic communication pursuant to this Article 106 need not comprise writing if the Directors so determine

Authority to vote

107. A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him at that meeting, and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote Any such authority must be in writing which must be produced at the meeting at which the same is to be used and be left with the Secretary for retention. For the purpose of this Article, an electronic communication which contains an authority need not comprise writing if the Directors so determine.

Quorum

108. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and, unless so fixed at any other number, shall be two A meeting of the Directors, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

Directors' interests

109 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract (or any transaction or arrangement whether or not constituting a contract) with the Company or any subsidiary undertaking of the Company shall declare the nature of his interest in accordance with the provisions of the Statutes. For the purposes of this Article 109

(a) a general notice sent to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

(b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

Directors' powers to vote

110.(A) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which (together with any interest of any person connected with him) he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

Where interest does not prevent voting

110 (B) Subject to the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely.

(a) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of, or for the benefit of, the Company or any of its subsidiary undertakings,

(b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security,

(c) any proposal concerning the subscription or purchase by him of shares, debentures or other securities of the Company pursuant to an offer or invitation to members or debenture holders of the Company, or any class of them, or to the public or any section of them;

(d) a contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be interested as a participant in the underwriting or sub underwriting thereof,

(e) a contract, arrangement, transaction or proposal concerning any other body corporate in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 346 of the 1985 Act) does not hold an interest (as that term is used in Sections 198 to 211 of the 1985 Act) representing 1 per cent or more of the issued shares of any class of the equity share capital (excluding any shares of that class held as treasury shares) of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purposes of this Article 110 to be a material interest in all circumstances). For the purpose of this sub paragraph (e) there shall be disregarded any shares held by a Director as simple trustee under the law of Scotland and of a bare or custodian trustee under the laws of England and Wales and in which he has no beneficial interest and any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder,

(f) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the contract or arrangement relates, and

(g) a contract, arrangement, transaction or proposal concerning insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company or for persons who include Directors of the Company

Interests of connected persons and alternates

110 (C) For the purpose of this Article 110, an interest of a person who is, for the purpose of the 1985 Act, connected with (which words shall have the meaning given thereto by Section 346 of the 1985 Act) a Director shall be treated as an interest of the Director and, in relation to an alternate, an interest of his appointor shall be treated as an interest of the alternate without prejudice to any interest which the alternate has otherwise

Consideration of matters involving two or more directors

110 (D) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any undertaking in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (e) of Article 110.(B) or otherwise precluded from

voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution, except that concerning his own appointment

Materiality of directors' interests

110.(E) If any question shall arise at any meeting as to the materiality of a Director's interest, or as to the entitlement of any Director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (or, if the Director concerned is the chairman, to the other Directors at the meeting) and his ruling in relation to any Director other than himself (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive, except in a case where the nature or extent of the interests of such Director (or, as the case may be, the chairman) has not been fairly disclosed.

Power of directors if number falls below minimum

111 The continuing Directors may act notwithstanding any vacancies in their number, but if, and so long as, the number of Directors is reduced below the number fixed by, or in accordance with, these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning general meetings of the Company, but not for any other purpose If there are no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors

Chairman

112 The Directors may elect a chairman (or make any appointment by them of a Director conditional upon his becoming the chairman) and one or more deputy chairmen and determine the period for which each is to hold office. The chairman or, in his absence, one of any deputy chairmen shall preside at meetings of the Directors, but if no chairman or deputy chairman shall have been appointed, or if at any meeting none of them be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting If at any time there is more than one deputy chairman or vice chairman, the right to preside at a meeting of Directors shall in the absence of the chairman be determined as between the deputy chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

Resolutions in writing

113 A resolution in writing, executed by all the Directors for the time being in the United Kingdom and all the alternate Directors (if any) for the time being in the United Kingdom whose appointors are for the time being absent from the United Kingdom (provided that their number is sufficient to constitute a quorum) or by all the members of a committee formed under Article 114 (A) for the time being, shall be as valid and effective as a resolution passed at a meeting of the Directors or, as the case may be, of such committee duly convened and held For this purpose

(a) a resolution may be by means of an instrument or contained in an electronic communication sent to such address (if any) as may for the time being be notified by the Company for that purpose; and

(b) a resolution may consist of several instruments and/or several electronic communications, each executed by one or more Directors or alternate Directors or members of the committee concerned, or a combination of both

Committees of directors

114 (A) The Directors may delegate any of their powers or discretions (including, for the avoidance of doubt, any powers or discretions relating to the remuneration of Directors) to committees consisting of one or more of the Directors and (if thought fit) one or more other persons co opted as hereinafter provided Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub delegate to one or more Directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the Directors may specify, and may be revoked or altered Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations which may from time to time be imposed by the Directors Any such regulations may provide for, or authorise, the co option to the committee of persons other than Directors and for such co opted members to have voting rights as members of the committee, but so that (a) the number of co opted members shall be less than one half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors or alternates of Directors

Proceedings of committees

114 (B) The meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under Article 114 (A)

Use of designation *Director*

115 The Directors may appoint any person to any office or employment having a designation or title including the word ***Director***, or attach to any existing office or employment with the Company such a designation or title, and may terminate any such appointment or the use of any such designation or title. Unless the appointment of the holder has been recorded in the register of directors maintained by the Company in terms of Section 288 of the 1985 Act, the inclusion of the word ***Director*** in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles

Validity of proceedings

116. All acts done by any meeting of Directors or of any such committee or by any person acting as a Director shall, as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Directors (or their alternates), or member of the committee, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director (or alternate Director) or member of the committee and had been entitled to vote

GENERAL POWERS OF DIRECTORS

Business to be managed by the directors

117 (A) The business and affairs of the Company shall be managed by the Directors who, subject to and in accordance with the provisions of the Statutes, the Memorandum of Association of the Company (the ***Memorandum***) and these Articles and to any directions given by special resolution, may exercise all the powers of the Company. No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given The general powers given by this Article 117 shall not be limited, or restricted, by any special authority or power given to the Directors by these Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors

Exercise by Company of Voting Rights

117 (B) The Directors may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as they think fit (including without limitation the exercise of that power in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate)

Local boards

118 (A) The Directors may make such arrangements as they think fit for the management and transaction of the Company's affairs in any specified locality, whether in the United Kingdom or elsewhere, and, without prejudice to the generality of the foregoing, may at any time, and from time to time, (a) establish any regional, divisional or local boards, committees or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, (b) appoint any one or more of the Directors, or any other person or persons, to be members of such regional, divisional or local boards or committees, or any managers or agents, and may fix their remuneration, (c) delegate to any regional, divisional or local board or committee, manager or agent any of the powers, authorities and discretions vested in the Directors with power to sub delegate, (d) authorise the members of any regional, divisional or local boards or committees or any of them, to fill any vacancies therein, and to act

notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and (e) remove any person so appointed, may fix the quorum of the said regional, divisional or local boards or committees, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby

Agents

118 (B) The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the Directors determine, including without limitation authority for the agent to delegate all or any of his powers, authorities and discretions, and may revoke or vary such delegation.

Powers of attorney

119 The Directors may, from time to time and at any time, by power of attorney or otherwise, appoint any person or undertaking, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period, and subject to such conditions, as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub delegate all or any of the powers, authorities and discretions vested in him. The Directors may delegate all or any of their powers under this Article 119

Official seal for use abroad

120. The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors

Overseas and local registers

121. Subject to and to the extent permitted by the Statutes and the Regulations, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory outside the United Kingdom a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit in respect of the keeping of any such register

Execution by the Company

122 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such

manner as the Directors or any duly authorised committee of the Directors shall from time to time determine

BORROWING POWERS

General power to borrow

123 (A) Subject as hereinafter provided, the Directors may exercise all the powers of the Company to borrow money and to pledge or grant any security over all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to and in accordance with the Statutes, to issue debentures, debenture stock and other securities whether terminable, redeemable or perpetual and whether outright or as collateral security for any guarantee, debt, liability or obligation of the Company or of any third party.

Definitions for and interpretation of Article 123

123 (B) For the purposes of this Article 123

Adjusted Capital and Reserves shall be interpreted in accordance with Article 123 (D),

equity share capital has the same meaning as in Section 744 of the 1985 Act,

Excepted Foreign Currency Borrowings means moneys borrowed denominated or repayable in a currency other than sterling which have the benefit of an exchange cover scheme;

exchange cover scheme means HM Treasury exchange cover scheme, forward currency contract, currency option, back to back loan, swap or other arrangement taken out or entered into to reduce the risks associated with fluctuations in the exchange rates,

finance lease means a contract between a lessor and a member of the Group as lessee or sub lessee where substantially all the risks and rewards of the ownership of the asset leased or sub leased are to be borne by the lessee or sub lessee,

Group means the Company and its subsidiary undertakings for the time being,

hire purchase agreement means a contract of hire between a hire purchase lender and a member of the Group as hirer;

Investments means at any time the aggregate of.

(a) cash at bank and in hand,

(b) deposits (including for the avoidance of doubt, certificates of deposit) for a term not exceeding six months and money at call, and

(c) securities issued by the Government of the United Kingdom which are traded on a recognised investment exchange

Latest Accounts means in the case where

(a) the Company has no subsidiary undertakings, the latest published audited balance sheet of the Company; or

(b) the Company has subsidiary undertakings but there is no audited consolidated balance sheet of the Group, the respective latest published audited balance sheets of the undertakings comprising the Group;

(c) the Company has subsidiary undertakings some only of whose audited balance sheets are consolidated in the latest published audited balance sheet of the Group, the latest published consolidated audited balance sheet of the Group together with the latest published audited balance sheets of those subsidiary undertakings whose audited balance sheets are not included in the consolidated audited balance sheet of the Group; and

(d) the Company has subsidiary undertakings all of whose audited balance sheets are consolidated in the latest published audited consolidated balance sheet of the Group, the latest published consolidated audited balance sheet of the Group

and in this Article 123 references to balance sheets shall be construed as balance sheets prepared for the purposes of the Statutes in accordance with the historical cost convention or that convention with modifications provided that if balance sheets prepared for the purposes of the Statutes have not been prepared in accordance with the historical cost convention but have been prepared in accordance with the current cost convention references to balance sheets are to be taken as references to balance sheets prepared for the purpose of the Statutes in accordance with the current cost convention but adjusted as the Auditors, after consultation with the Directors, consider appropriate to enable the aggregate amount referred to in Article 123 (C) below to be calculated as though derived from a balance sheet prepared in accordance with the historical cost convention or that convention as applied with such modifications as may be appropriate in the circumstances and references to the Latest Accounts shall be construed accordingly;

moneys borrowed shall be interpreted in accordance with Article 123.(E),

outside interests means the proportion of the nominal amount of the issued equity share capital of a partly owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company, and

subsidiary undertaking shall be construed as a subsidiary undertaking of the Company

Maximum limit on borrowings

123 (C) The Directors shall restrict the moneys borrowed by the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate principal amount (including any fixed or minimum premium payable on final repayment) at any one time outstanding in respect of all moneys borrowed (whether secured or not) by the Group (exclusive of moneys borrowed by any member of the Group from any other member of the Group, subject to paragraph (c) of Article 123 (E)) for the time being, subject as hereinafter provided, shall not without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the higher of (i) £10,000,000,000 and (ii) two and a half (2½) times the Adjusted Capital and Reserves;

Adjusted capital and reserves

123 (D) For the purposes of this Article 123, the expression ***Adjusted Capital and Reserves*** shall mean at the relevant time the aggregate of

(a) the amount for the time being paid up or credited as paid up on the issued share capital of the Company and such of the share capital as has been unconditionally allotted but not issued; and

(b) the total of the amounts standing to the credit of the reserves of the Group (including any share premium account, capital redemption reserve, revaluation reserve and statutory reserve and after adding any credit balance or deducting any debit balance on the profit and loss account),

all based on the Latest Accounts after

(i) making such adjustments as may be appropriate to reflect any variations since the date of the Latest Accounts in such share capital or reserves and so that for this purpose (aa) if the Company proposes to issue or has issued any shares for cash and the issue has been underwritten then the amount (including any premium) of the subscription moneys so underwritten (not being moneys payable later than six months after the date the underwriting becomes unconditional) shall be deemed to have been paid up on the date when the issue of such shares was underwritten (or if such underwriting was conditional, on the date when the underwriting becomes unconditional) and (bb) subject as aforesaid, share capital (including any premium) shall be deemed to have been paid up as soon as it has been unconditionally agreed to be subscribed or taken up by any person (provided it is to be so subscribed or taken up within six months of such agreement),

(ii) excluding any sums attributable to outside interests in any subsidiary undertaking and making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiary undertakings since the date of the Latest Accounts,

(iii) deducting any distributions declared, recommended or made by a member of the Group (other than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the Latest Accounts to the extent that any such distributions are not provided for therein,

(iv) making all such adjustments, if the calculation is required for the purposes of, or in connection with, a transaction under or in connection with which any undertaking is to become or cease to be a subsidiary undertaking, as would be appropriate if such transaction had been carried into effect, and

(v) making such other adjustments (if any) as the auditors may consider appropriate to provide for the carrying into effect of the transaction for the purposes of which the Adjusted Capital and Reserves requires to be calculated or otherwise

Moneys borrowed

123 (E) (a) For the purposes of this Article 123, ***moneys borrowed*** shall, subject to paragraph (b) of this Article 123 (E), be deemed to include the following, except in so far as otherwise taken into account

(i) the principal amount for the time being outstanding and owing by a member of the Group in respect of any debenture (other than the debenture dated 30th April, 1991 issued in favour of the Secretary of State pursuant to a direction made under Section 71 of the Electricity Act 1989) whether issued for cash or otherwise,

(ii) the principal amount raised by a member of the Group by acceptances under any acceptance credit opened on its behalf and in its favour by any bank or accepting house (not being acceptances in respect of the purchase or sale of goods or the provision of services in the ordinary course of business which are outstanding for six months or less);

(iii) the nominal amount of any share capital and the principal amount of any borrowings of any person (together in each case with any fixed or minimum premium payable on final repayment) the redemption or repayment of which is guaranteed or wholly or (to the extent the same is partly secured) partly secured by a member of the Group (but excluding any such share capital which is for the time being beneficially owned by, and (as determined in accordance with paragraph (c) of this Article 123 (E)) any such borrowings which are for the time being owed to, a member of the Group);

(iv) the nominal amount of any share capital (not being equity share capital) of any subsidiary undertaking owned otherwise than by the Company or another subsidiary undertaking,

(v) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account; and

(vi) any amount in respect of a hire purchase agreement or of a finance lease payable in either case by a member of the Group which would be shown as being so payable in a balance sheet prepared in accordance with the accounting principles used in the preparation of the Latest Accounts

(b) For the purposes of this Article 123 moneys borrowed shall be deemed not to include the following·

(i) borrowings incurred by a member of the Group for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other member of the Group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department or agency fulfilling a similar function, up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured,

(ii) borrowings by a member of the Group before, and outstanding after, it becomes a subsidiary undertaking of the Company and amounts secured on an asset before, and remaining so secured after, it is acquired by a member of the Group until six months after the undertaking becomes a subsidiary undertaking or the asset is acquired, as the case may be,

(iii) any guarantee or indemnity given by any member of the group in respect of any amount or obligation deemed not to be moneys borrowed under any of the provisions of this Article 123; and

(iv) borrowings incurred by a member of the Group for the purpose of complying with any direction issued by the Secretary of State under Section 34 or Section 96 of the Electricity Act 1989,

(c) For the purposes of this Article 123

(i) moneys borrowed by a partly owned subsidiary undertaking and not owing to another member of the Group shall (notwithstanding paragraph (a) of this Article 123 (E)) be taken into account subject to the exclusion of a proportion of such moneys borrowed attributable to outside interests,

(ii) moneys borrowed and owing to a partly owned subsidiary undertaking by another member of the Group shall, subject to paragraph (a) of this Article 123 (E) and sub paragraph (iii) below, be taken into account to the extent of the proportion of such

moneys borrowed attributable to the outside interests in such partly owned subsidiary undertaking; and

(iii) in the case of moneys borrowed and owing to a partly owned subsidiary undertaking by another partly owned subsidiary undertaking, the proportion which would otherwise be taken into account under sub paragraph (ii) above shall be reduced by excluding such part of such moneys borrowed as is attributable to the outside interests in the borrowing subsidiary undertaking;

(d) There shall be offset against the amount of moneys borrowed, any amounts beneficially owned by a member of the Group which represent the value of Investments which would be shown as current assets in a balance sheet prepared in accordance with the accounting principles used in the preparation of the Latest Accounts, subject, in the case of Investments which are beneficially owned by a partly owned subsidiary undertaking, to the exclusion of a proportion thereof attributable to outside interests

(e) For the avoidance of doubt, no amount shall be taken into account more than once in any calculation of moneys borrowed; and

(f) When the aggregate principal amount of borrowings required to be taken into account on any particular date is being ascertained, any particular borrowing which is then outstanding and which is denominated or repayable in a currency other than sterling shall

(i) with the exception of Excepted Foreign Currency Borrowings, be translated into sterling at the rate of exchange prevailing in London at the close of business on the last business day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London at the close of business on the last business day six months before that time and so that, for these purposes, the rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank selected by the Directors as being the most appropriate rate for the purchase by the Company of the currency and amount in question for sterling at the time in question, and

(ii) in the case of any Excepted Foreign Currency Borrowings, at the rate of exchange which would be applicable to such moneys borrowed on their repayment to the extent that such rate of exchange is fixed under any exchange cover scheme in connection with such moneys borrowed, provided that, where it is not possible to determine the rate of exchange applicable at the time of repayment of such moneys borrowed, they shall be translated into sterling under the terms of the applicable exchange cover scheme on such basis as may be agreed with, or determined by, the

auditors or, if it is agreed with the auditors not to be practicable, in accordance with the provisions of sub paragraph (f)(i) above

Fluctuating rates of exchange

123 (F) The Company shall not be in breach of the borrowing limit under this Article 123 by reason of the limit being exceeded as a result only of any fluctuation in rates of exchange provided that within six months of the Directors becoming aware of any such fluctuation or change which would but for this provision have caused such a breach, the aggregate principal amount as aforesaid is reduced to an amount not exceeding the said limit

Changes in legislation

123 (G) If, as a result of any change in legislation relating to or affecting taxation matters, any amount payable by a member of the Group in respect of any finance lease shall increase and, if in consequence the borrowing limit under this Article 123 is exceeded, an amount of moneys borrowed equal to the excess may be disregarded until the expiration of six months after the date on which the Directors become aware that such a situation has arisen

Validity of borrowing arrangements

123 (H) No person dealing with the Company or any of its subsidiary undertakings shall, by reason of the foregoing provisions, be concerned to see or inquire whether the said limits are observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded A certificate signed by two Directors that the amount of any moneys borrowed is within the said limits shall for the purposes of this Article 123 (H) be conclusive evidence in any question between any such person and the Company.

Certification by auditors

123.(I) A certificate or report by the auditors as to the amount of Adjusted Capital and Reserves or as to the amount of moneys borrowed or to the effect that the limit imposed by this Article 123 has or has not been or will or will not be exceeded at any particular time or times shall be conclusive evidence of the amount or of that fact

SECRETARY

124 The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit Any Secretary so appointed may, at any time, be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company If thought fit, two or more persons may be appointed as joint secretaries The Directors may also appoint, from time to time, on such terms as they may think fit, one or more deputy secretaries and assistant secretaries Anything by the Statutes or by these Articles

required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any deputy or assistant secretary, or if there is no deputy or assistant secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors.

SEALS

125 (A) The Directors shall provide for the safe custody of the seal and any securities seal and neither shall be used without the authority of the Directors or a committee authorised by the Directors on their behalf.

125 (B) Every deed, contract, document, instrument or other writing to which the seal shall be affixed shall (except as permitted by Article 19 (A)) be subscribed on behalf of the Company by two of the Directors of the Company, or by a Director and the Secretary of the Company, or by two persons authorised to subscribe such deed, contract, document, instrument or other writing on its behalf.

125 (C) Any instrument may be executed under the seal by impressing the seal by mechanical means or by printing the seal or a facsimile of it on the instrument or by applying the seal or a facsimile of it by any other means to the instrument An instrument executed, with the authority of a resolution of the Directors, by a Director and the secretary or by two Directors and expressed (in whatever form of words) to be executed by the Company has the same effect as if executed under the seal For the purpose of the preceding sentence only, ***secretary*** shall have the same meaning as in the 1985 Act.

125 (D) The securities seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the securities seal shall not require to be signed

AUTHENTICATION OF DOCUMENTS

126. Any Director or the Secretary or any person appointed by the Directors or by a duly authorised committee for the purpose shall have power to authenticate and certify as true copies of and extracts from

(a) any document comprising or affecting the constitution of the Company whether in an instrument or electronic form,

(b) any resolution passed by the Company, the holders of any class of shares in the capital of the Company or the Directors or any committee whether in physical form or electronic form, and

(c) any book, record, document and accounts relating to the business of the Company, whether in physical form or electronic form

Where any books, records, documents or accounts are elsewhere than at the office the officer, servant or agent of the Company having the custody thereof shall be deemed

to be a person appointed by the Directors as aforesaid A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Directors or any committee, which is certified as aforesaid and whether in physical form or electronic form shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting

MINUTES AND BOOKS

Keeping of minutes and books

127. The Directors shall cause minutes to be made in books to be provided for the purpose:

(a) of all appointments of officers made by the Directors,

(b) of the names of the Directors or their alternates and any other persons present at each meeting of Directors and of any committee formed under Article 114 (A); and

(c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees formed under Article 114 (A)

Any such minutes shall be conclusive evidence of any such proceedings if they purport to be executed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

Safeguarding of minutes and books

128 Any register, index, minute book, book of account or other book required by these Articles or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery of falsification

DIVIDENDS

Declaration of dividends by the Company

129 The Company may, by ordinary resolution, declare dividends in accordance with the respective rights of the members, but no dividend shall be payable except out of the profits of the Company available for distribution under the provisions of the Statutes and these Articles or in excess of the amount recommended by the Directors Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and

paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid For the purposes of this Article 129, no amount paid on a share in advance of calls shall be treated as paid on the share.

Declaration of dividends by the Directors

130 Subject to the provisions of the Statutes, the Directors may pay dividends (whether final or otherwise) if it appears to them that they are justified by the profits of the Company available for distribution If the share capital is divided into different classes, the Directors may pay dividends on shares which confer deferred or non preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no dividend shall be paid on shares carrying deferred or non preferred rights if, at the time of payment, any preferential dividend is in arrears The Directors may also pay, at intervals settled by them, any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment If the Directors act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of a dividend on any shares having deferred or non preferred rights

Currency of payment

131 (A) The Directors may at their discretion make provisions to enable an ADR Depositary to receive dividends duly payable in a currency or currencies other than Sterling.

131 (B) For the purpose of the calculation of the amount payable in respect of any dividend, the rate of exchange to be used to determine the relevant currency equivalent of any sum payable as a dividend shall be such market rate (whether spot or forward) selected by the Directors as they shall consider appropriate subject to such adjustments as the directors may determine ruling in London on the date which is the business day last preceding (a) in the case of a dividend to be declared by the Company in general meeting, the date on which the Directors publicly announce their intention to recommend that specific dividend and (b) in the case of any other dividend, the date on which the Directors publicly announce their intention to pay that specific dividend, provided that where the Directors consider the circumstances to be appropriate they shall determine such relevant currency equivalent of any sums payable as a dividend by reference to such market rate or rates or the mean of such market rates prevailing at such time or times or on such other date or dates, in each case falling before the time of the relevant announcement, as the Directors may in their discretion select The decision of the directors regarding the exchange rate shall be conclusive and binding.

Interest not payable

132 No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company, unless otherwise provided by the rights attached to the share

Permitted deductions

133 The Directors may deduct from any dividend or other moneys payable to any member, whether alone or jointly with any other member, on or in respect of a share all sums of money (if any) presently payable by him, whether alone or jointly with any other member, to the Company on account of calls or otherwise in relation to shares of the Company

Retention of dividends

134 The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or other obligations in respect of which the lien exists

Waiver of dividends

135 The waiver, in whole or in part, of any dividend on any share by any document shall be effective only if such document is executed by the holder (or the person entitled to the share in consequence of a transmission event) and delivered to the Company and if, or to the extent that, the same is accepted as such or acted upon by the Company

Unclaimed dividends

136 Without prejudice to the operation of Article 137, all dividends or other moneys payable on, or in respect of, a share unclaimed after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. The payment by the Directors of any unclaimed dividend or other moneys payable on, or in respect of, a share into a separate account shall not constitute the Company a trustee in respect thereof The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if those instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the member's new address. The entitlement conferred on the Company by this Article in respect of any member shall cease if the member claims a dividend or cashes a dividend warrant or cheque

Forfeiture of unclaimed dividends

137 Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and shall revert to the Company

Dividends in specie

138 The Company may either: (i) upon the recommendation of the Directors, by ordinary resolution, or (ii) by resolution of the Directors in respect of a dividend to be paid pursuant to Article 130, direct that payment of a dividend (whether final or

otherwise), in whole or in part, be made by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors may give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may (a) settle the same as they think expedient and, in particular, may issue fractional certificates or may authorise any person to sell and transfer any fractions and distribute or retain the proceeds or disregard fractions altogether, (b) fix the value for distribution of such specific assets or any part thereof, (c) determine that cash payments shall be made to any members on the basis of the value so fixed in order to adjust the rights of those entitled to participate in the dividend, and (d) vest any such specific assets in trustees as may seem expedient to the Directors

Procedure for payment

139.(A) Any dividend or other moneys payable in respect of a share may be paid

(a) by cheque or warrant made payable to or to the order of the holder or person entitled to payment, or

(b) by any direct debit, bank or other funds transfer system to the holder or person entitled to payment or, if practicable, to a person designated by notice to the Company by the holder or person entitled to payment, or

(c) by any other method approved by the Directors and agreed (in such form as the Company thinks appropriate) by the holder or person entitled to payment including (without limitation) in respect of an uncertificated share by means of the relevant system (subject to the facilities and requirements of the relevant system).

Payment by post

139 (B) A cheque or warrant may be sent by post·

(a) where a share is held by a sole holder, to the registered address of the holder of the share, or

(b) if two or more persons are the holders, to the registered address of the person who is first named in the register, or

(c) if a person is entitled by transmission to the share, as if it were a notice to be given under Article 150, or

(d) in any case, to such person and to such address as the person entitled to payment may direct by notice to the Company.

Discharge to Company and risk

139 (C) Payment of a cheque or warrant by the bank on which it was drawn or the transfer of funds by the bank instructed to make the transfer or, in respect of an uncertificated share, the making of payment in accordance with the facilities and requirements of the relevant system (which, if the relevant system is CREST, may include the sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder of joint holders may in writing direct) shall be a good discharge to the Company Every cheque or warrant sent or transfer of funds made by the relevant bank or system in accordance with these Articles shall be at risk of the holder or person entitled The Company shall have no responsibility for any sums lost or delayed in the course of payment by any method used by the Company in accordance with Article 139 (A).

Receipts where joint holders

140 If two or more persons are registered as joint holders of any share or are entitled jointly to a share in consequence of a transmission event, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

Scrip dividends

141 Subject to approval by the Company at any annual general meeting, the Directors may, in respect of any dividend declared or proposed to be declared or payable within a specified period expiring no later than the conclusion of the fifth annual general meeting following the date of such approval (and provided that an adequate number of unissued shares is available for the purpose), determine and announce that shareholders will be entitled to elect to receive in lieu of such dividend (or part thereof, as the directors shall determine) an allotment of additional shares credited as fully paid Any such announcement shall, where practicable, be made prior to or contemporaneously with the announcement of the dividend in question and any related information as to the Company's profits for such financial period or part thereof In any such case the following provisions shall apply

(a) the basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient, the value calculated by reference to the average quotation of the additional shares (including any fractional entitlement) to be allotted in lieu of any amount of dividend shall equal such amount For such purpose the ***average quotation*** of a share shall be the average of the middle market quotations of the shares on the London Stock Exchange, as derived from the Daily Official List of the London Stock Exchange, on each of the first five consecutive business days on which such shares are quoted ex the relevant dividend. A certificate or report by the auditors as to the amount of the average quotation in respect of any dividend shall be conclusive evidence of that amount,

(b) the Directors shall, after determining the basis of allotment, send notice to the members of the right of election accorded to them and shall send with or following such notice forms of election specifying the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective,

(c) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (the ***elected shares***), and in lieu thereof additional shares shall be allotted to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or profit and loss account as the Directors may determine, a sum equal to the aggregate nominal amount of additional shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the elected shares on such basis,

(d) the additional shares so allotted shall rank *pari passu* in all respects with the fully paid shares then in issue, save only as regards participation in the relevant dividend (or share election in lieu),

(e) the Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or the benefit of fractional entitlements accrues to the Company rather than to the members concerned) The Directors may authorise any person to enter into, on behalf of all the members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned,

(f) notwithstanding the foregoing, the Directors may at any time prior to payment of the relevant dividend determine, if it appears to them desirable to do so because of a change in circumstances, that the dividend shall be payable wholly in cash after all and if they so determine then all elections made shall be disregarded The dividend shall be payable wholly in cash if the ordinary share capital of the Company ceases to be listed on the Official List of the London Stock Exchange at any time prior to the due date of issue of the additional shares or if the listing is suspended and not reinstated by the date immediately preceding the due date of such issue, and

(g) the Directors may on occasion determine that rights of election shall not be made available to any members with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of rights of election would or might be unlawful and

in such event the provisions aforesaid shall be read and construed subject to such determination

CAPITALISATION OF PROFITS AND RESERVES

Capitalisation of profits and reserves

142 (A) The Directors may, with the authority of an ordinary resolution of the Company·

(a) subject as hereinafter provided, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund including the Company's share premium account and capital redemption reserve,

(b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article 142.(A), only be applied in paying up unissued shares to be allotted to members credited as fully paid,

(c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividend only to the extent that the latter shares rank for dividend,

(d) make such provision by authorising the sale and transfer to any person of shares or debentures representing fractions to which any members would become entitled or by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions,

(e) authorise any person to enter, on behalf of all the members concerned, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members;

(f) generally do all acts and things required to give effect to such resolution as aforesaid, and

(g) for the purposes of this Article, unless the relevant resolution provides otherwise, if the Company holds treasury shares of the relevant class at the record date specified in the relevant resolution, it shall be treated as if it were entitled to receive the dividends and to participate in the capitalisation in respect of those treasury shares as if those treasury shares had been held by a person other than the Company.

Avoidance of discounts on exercise of employees' share options

142 (B)(a) Where, pursuant to an employees' share scheme, the Company has granted options to subscribe for shares on terms which provide *inter alia* for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to and in accordance with the provisions of the Statutes, the Directors may, on the exercise of any of the options concerned and payment of the subscription which would have applied had such adjustment been made, capitalise any such profits or other sum as is mentioned in Article 142 (A) to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly

(b) The provisions of paragraphs (c) to (f) of Article 142.(A) above shall apply *mutatis mutandis* to this Article 142 (B) (but as if the authority of an ordinary resolution of the Company were not required).

ACCOUNTS

Right to inspect accounts

143. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the office or, subject to and in accordance with the Statutes, at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors

Preparation and laying of accounts

144. The Directors shall, from time to time, in compliance with the provisions of the Statutes, cause to be prepared and to be laid before a general meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be required by the Statutes

Accounts to be sent to members

145 Subject to the Statutes, a copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be attached or annexed thereto) and of the Directors' and auditors' reports or, where permitted by the Statutes, a summary financial statement in the form specified by the Statutes or any regulations made thereunder shall, not less than twenty one days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles, provided that this Article 145 shall not require a copy of these documents to be sent to more than one of joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Company is not aware Whenever a listing or quotation on any stock exchange for all or any of the shares or debentures or other securities of the Company shall for the time being be in force, there shall be forwarded to the appropriate officer of such stock exchange such number of copies of such documents as may for the time being be required under its regulations or practice

AUDITORS

Validity of acts of auditors

146. Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified

Rights of auditors

147. The auditors shall be entitled to attend any general meeting and to receive all notices of, and other communications relating to, any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors

NOTICES

Notice in writing

148 (A) Save as otherwise provided in these Articles, any notice to be sent to or by any person pursuant to these Articles shall be in writing, except that a notice calling a meeting of the Directors need not be in writing Any such notice may be sent using electronic communications to such address (if any) as may for the time being be notified for that purpose to the person giving the notice by or on behalf of the person to whom the notice is sent.

Method of giving notice to members

148 (B) The Company may send any notice or other document pursuant to these Articles to a member by whichever of the following methods it may in its absolute discretion determine

(a) personally, or

(b) by posting the notice or other document in a prepaid envelope addressed to the member at his registered address, or

(c) by leaving the notice or other document at that address, or

(d) by sending the notice or other document using electronic communications to such address (if any) as may for the time being be notified to the Company by or on behalf of the member for that purpose.

148 (C) Subject to the Statutes, the Company may also send any notice or other document pursuant to these Articles to a member by publishing that notice or other document on a website where·

(a) the Company and the member have agreed to him having access to the notice or document on a website (instead of it being sent to him),

(b) the notice or document is one to which that agreement applies,

(c) the member is notified, in a manner for the time being agreed between him and the Company for the purpose, of

  (i) the publication of the notice or document on a website,

  (ii) the address of that website, and

  (iii) the place on that website where the notice or document may be accessed, and how it may be accessed, and

(d) the notice or document continues to be published on that website throughout the publication period, provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid

In this Article 148 (C), ***publication period*** means.

(a) in the case of a notice of an adjourned meeting of which notice is required to be given pursuant to Article 67, a period of not less than seven clear days before the date of the adjourned meeting, beginning on the day following that

on which the notification referred to in sub paragraph (c) above is sent or (if later) is deemed sent,

(b) in any other case, a period of not less than 21 days, beginning on the day following that on which the notification referred to in sub paragraph (c) above is sent or (if later) is deemed sent

148 (D) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which a notice or other document may be sent to him by instrument or an address to which a notice or other document may be sent using electronic communications shall (provided that, in the case of electronic communications, the Company so agrees) be entitled to have notices or other documents sent to him at that address but otherwise

(a) no such member shall be entitled to receive any notice or other document from the Company, and

(b) without prejudice to the generality of the foregoing, any notice of a general meeting of the Company which is in fact sent or purports to be sent to such member shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

148 (E) The Directors may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic communications for the sending of notices, other documents and proxy appointments by the Company to members and by members to the Company.

148 (F) In this Article (except for Article 148.(C)) and in Articles 149 to 154, references to a notice include without limitation references to any notification required by the Statutes or these Articles in relation to the publication of any notices or other documents on a website

Signature on notices

148.(G) The signature on any notice required to be sent by the Company may be typed or printed or otherwise executed

Notice to joint holders

148 (H) In respect of joint holdings, all notices or other documents shall be sent to the joint holder whose name stands first in the register of members and any notice or other document so sent shall be sufficient notice to all the joint holders in their capacity as such.

When notices etc. deemed sent or delivered

149 (A) Proof that an envelope containing a notice or other document was properly addressed, prepaid and posted shall be conclusive evidence that the notice or document was sent Proof that a notice or other document contained in an electronic

communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators current at the date of adoption of these Articles, or, if the Directors so resolve, any subsequent guidance so issued, shall be conclusive evidence that the notice or document was sent A notice or other document sent by the Company to a member by post shall be deemed to be sent

(a) if sent by first class post or special delivery post from an address in the United Kingdom to another address in the United Kingdom, or by a postal service similar to first class post or special delivery post from an address in another country to another address in that other country, on the day following that on which the envelope containing it was posted,

(b) in any other case, on the second day following that on which the envelope containing it was posted.

149.(B) A notice or other document sent by the Company to a member contained in an electronic communication shall be deemed sent to the member on the day following that on which the electronic communication was sent to the member

149 (C) A notice or other document shall be deemed sent to the member in accordance with Articles 149.(A) or 149 (B) notwithstanding that the Company becomes aware that the member has failed to receive the relevant notice or other document for any reason and notwithstanding that the Company subsequently sends a copy of such notice or other document by post to the member or otherwise

Notice to persons entitled by transmission

150 A person entitled to a share in consequence of a transmission event, upon such evidence being produced as may from time to time properly be required by the Directors to show his title to the share and upon supplying an address within the United Kingdom for receiving notices, shall, save as herein otherwise expressly provided, be entitled to have sent to him at such address any notice or document to which the member but for the transmission event would be entitled, and such notice shall for all purposes be deemed sent to all persons interested (whether jointly with or as claiming through or under him) in the share. Until such address has been supplied, a notice may be sent in any manner in which it might have been sent if the transmission event had not occurred.

Untraced members

151. If on three consecutive occasions notices have been sent to any member through the post at his registered address or his address for the service of notices or by using electronic communication to such address (if any) as may for the time being be notified to the Company by or on behalf of the member for that purpose but have been returned undelivered, or if, after any one such occasion, the Directors or any committee authorised by the Directors on their behalf are of the opinion, after the making of all reasonable enquiries, that any further notices to such member would, if sent as aforesaid, likewise be returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated

with the Company in respect of his shares and supplied in writing to the transfer office a new registered address or address within the United Kingdom for receiving notices

Advertisement of notices

152 Any notice required to be sent by the Company to the members or any of them, and not expressly provided for by or pursuant to these Articles, shall be sufficiently sent if given by advertisement inserted once in at least one leading Scottish and one leading national daily newspaper

Notices during disruption of postal services

153 If at any time, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one leading Scottish and one leading national daily newspaper published on the same date and such notice shall be deemed to have been duly sent to all members entitled thereto on the day when the advertisement appears In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable

Deemed notice

154 (A) A member present in person at any meeting of the Company or of the holders of any class of shares shall be deemed to have been sent notice of the meeting and, where requisite, of the purposes for which it was called.

Successors in title bound by notice to predecessor

154 (B) Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been sent to the person from whom he derives his title, but this Article 154 (B) shall not apply to a notice given under Section 212 of the 1985 Act

Statutory requirements

155 Nothing in any of Articles 148 to 154 inclusive shall affect any requirement of the Statutes that any particular offer, notice or other document be sent in any particular manner.

WINDING UP

Liquidator may distribute in specie

156. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of an extraordinary resolution and any other sanction required by the Insolvency Act 1986, divide among the members *in specie* the whole, or any part of, the assets of the Company and

whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members

Disposal of assets to trusts

157 The liquidator may, with the like authority referred to in Article 156, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

PROVISIONS FOR EMPLOYEES

158 The Directors may, by resolution, exercise any power conferred by Section 719 of the 1985 Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiary undertakings in connection with the cessation, or the transfer to any person, of the whole, or part of, the undertaking of the Company or that subsidiary undertaking

INDEMNITY

159 Subject to the provisions of and so far as may be consistent with the Statutes, but without prejudice to any indemnity to which such person may otherwise be entitled, every Director, auditor, Secretary, other officer or employee of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer, auditor or employee of the Company and in which decree or judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court

ADR DEPOSITARIES

160 Without prejudice to the right of an ADR Depositary to exercise any other rights conferred in these Articles, an ADR Depositary may appoint as its proxy or proxies ADR Holders registered on the books of the ADR Depositary and may determine the method by which, and the terms on which, such appointments are made, save that each such appointment shall identify the number of Ordinary Shares in respect of which the appointment is made and the aggregate number of Ordinary Shares in respect of which appointments subsist at any one time shall not exceed the aggregate number of Ordinary Shares which for the time being shall be registered in

the name of the ADR Depositary or its nominee (such aggregate number of Ordinary Shares for the time being hereinafter called the ***Depositary Shares***)

161. The ADR Depositary shall maintain a register or system(s) (the ***Proxy Register***) in which shall be recorded such details as the Directors may determine to identify each person who is for the time being so appointed as proxy pursuant to Article 160 (an ***Appointed Proxy***) and the number of Depositary Shares (his ***Appointed Number***) in respect of which his appointment for the time being subsists The Proxy Register shall be open to inspection by any person authorised by the Company during usual business hours and the ADR Depositary shall furnish to the Company or its agents upon demand all such information as to the contents of the Proxy Register, or any part of it, as may be requested.

162. Subject to the Statutes and provided there are sufficient Depositary Shares to satisfy his Appointed Number, an Appointed Proxy shall, in relation to proceedings at any general meeting

(i) upon production to the Company at a general meeting of evidence of his appointment (which shall be in such form as the Company and the ADR Depositary shall determine from time to time) be entitled to the same rights, and subject to the same restrictions, in relation to his Appointed Number of the Depositary Shares as though such shares were registered in the name of the Appointed Proxy;

(ii) himself be entitled, by a proxy appointment duly executed by him pursuant to Article 81 (A), to appoint another person, including the ADR Depositary, as his proxy in relation to his Appointed Number of Depositary Shares, and so that the provisions of these Articles shall apply (*mutatis mutandis*) in relation to a proxy appointment executed pursuant to this paragraph (ii) of this Article and to a person appointed pursuant to such proxy appointment as though such person were the proxy of a member and the proxy appointment were a form of proxy executed by the Appointed Proxy in accordance with Article 81.(A).

163 The Company may send to the Appointed Proxies as appearing in the Proxy Register at their addresses as so appearing all notices and other documents which are sent to the holders of Ordinary Shares The entitlement of Appointed Proxies to receive notice of general meetings pursuant to Article 59 (A) shall be governed by the provisions of Articles 148, 149, 151, 153 and 154 which shall apply in respect of such notices as if such Appointed Proxies were members

164. When a Record Date is determined in accordance with the provisions of Article 167 for a particular purpose

(i) the number of Depositary Shares in respect of which a person entered in the Proxy Register as an Appointed Proxy is to be treated as having been appointed for that purpose shall be the number in respect of which his appointment subsists as identified by the Proxy Register as at the Record Date, and

(ii) changes to entries in the Proxy Register after the Record Date shall be disregarded in determining the entitlement of any person for the purpose concerned.

165 Except as required by law, no Appointed Proxy shall be recognised by the Company as holding any interest in shares upon any trust and subject to the recognition of the rights conferred in relation to general meetings by appointments made by Appointed Proxies pursuant to Article 162 (ii) the Company shall be entitled to treat any person entered in the Proxy Register as an Appointed Proxy as the only person (other than the ADR Depositary) who has any interest in the Ordinary Shares in respect of which the Appointed Proxy has been appointed.

166 If any question shall arise as to whether any particular person or persons has or have been validly appointed to vote (or exercise any other right) in respect of any Depositary Shares (whether by reason of the aggregate number of shares in respect of which appointments are identified in the Proxy Register exceeding the aggregate number of Depositary Shares or for any other reason) such question shall if arising at or in relation to a general meeting be determined by the chairman of the meeting (and if arising in any other circumstances shall be determined by the Directors) whose determination (which may include declining to recognise a particular appointment or appointments as valid) shall if made in good faith be conclusive and binding on all persons interested

Record date

167 Subject to the Statutes and Regulations but notwithstanding any other provision of these Articles, the Company or the Directors may by resolution specify any date and time (the ***Record Date***) as the date and time on which persons registered as the holders of shares or other securities or (as appropriate) Appointed Proxies shall be entitled (i) to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular or (ii) to attend at any general meeting and/or to exercise voting rights in respect of shares registered in their name in the register of members or in respect of which their appointment subsists as identified by the Proxy Register (as the case may be) as at such a date and time; and any such Record Date may be on, or at any time before, the date on which the same is paid, made, despatched or published or on which the general meeting is held or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced, but without prejudice to the rights *inter se* in respect of the same of transferors and transferees of any such shares or other securities

168 Rights and Restrictions attached to the B Shares

(A) Election Form

(a) Together with a circular to shareholders dated 31 March 2006 (the ***Circular***) holders of ordinary shares were sent a form of election relating to the B Shares (the ***Election Form***) under which they could elect in relation to any B Shares held by them to (i) receive the Single B Share Dividend (as defined below), (ii)

accept an offer by an agent on behalf of the Company to purchase the B Shares (the ***Initial Repurchase Offer***), or (iii) retain B Shares and receive the B Share Continuing Dividend (as defined below)

(b) Holders of B Shares who have not returned a duly completed Election Form by 6 pm on 19 May 2006 (or such later time and/or date as the Directors may determine) electing (revocably until that time) to accept the Initial Repurchase Offer or to retain their B Shares and receive the B Share Continuing Dividend will be deemed instead to have elected to receive the Single B Share Dividend (as described in Article 168(B) below) in relation to each B Share held by them

(c) The Directors may, if they so determine in their absolute discretion, accept an Election Form which is received after the relevant time or which is not correctly completed or returned. The Directors may, in addition, if they so determine in their absolute discretion, treat any other document or action as a valid Election Form or as the completion or delivery of a valid Election Form, as the case may be.

(B) Income

(a) Out of the profits available for distribution, a single dividend of £3 60 per B Share (the ***Single B Share Dividend***) shall be payable to holders of B Shares on the register of members of B Shares at 6 pm on 19 May 2006 (or such later time and/or date as the Directors may determine) who have validly elected or are deemed pursuant to Article 168(A)(b) above or in accordance with the Circular and the Election Form to have elected to receive the Single B Share Dividend in respect of such B Shares registered in their name at such date and time.

(b) Such dividend shall, if declared, become payable on 22 May 2006 or such later date as the Directors may determine (the ***Single Dividend Date***). Each B Share in respect of which such dividend is declared shall immediately be automatically converted into a deferred share of 50 pence nominal value with the rights and restrictions described in Article 168(H) (a ***Deferred Share***).

(c) Out of the profits available for distribution in respect of each financial year or other accounting period of the Company, the holders of the B Shares who have elected to retain their B Shares or in accordance with the Circular and the Election Form are deemed to have elected to retain their B Shares shall be entitled, in priority to any payment of dividend or other distribution to the holders of any ordinary shares and before profits are carried to reserves, to be paid a non cumulative preferential dividend (the ***B Share Continuing Dividend***) at such annual rate on a value of £3 60 per B Share as is calculated in accordance with Articles 168(B)(e) and 168(B)(f) below rounded down to the nearest 1/10 penny.

(d) The first B Share Continuing Dividend will be in respect of the period commencing on the Single Dividend Date as defined under Article 168(B)(b),

and is to be paid in arrears on 28 May 2007 (or such later date in 2007 as the Directors may determine) and thereafter, such dividend will be paid (without having to be declared) annually in arrears on 28 May (or such later date as the Directors may determine) in each year or, if any such date would otherwise fall on a date which is not a Business Day (as defined below) it shall be postponed to the next day which is a Business Day (without any interest or payment in respect of such delay being charged) (each, a ***Payment Date***)

(e) Each twelve month period ending on 28 May is called a ***Calculation Period***. The annual rate applicable to each Calculation Period shall be 75 per cent of 12 month LIBOR for the Calculation Period in question which appears on the display designated as page ISDA on Reuters (or such other page or service as may replace it or have replaced it for the purpose of displaying London inter bank offered rates of leading banks for pounds sterling deposits as determined by the Company), at or about 11 am (London time) on the first Business Day of such Calculation Period

(f) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then Article 168(B)(e) above shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded upward, if necessary, to the nearest 1/16 per cent) of the rates (being at least two) which so appear, as determined by the Company If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Company will request each of the banks whose offered rates would have been used for the purposes of the relevant page, if the event leading to the application of this Article 168(B)(f) had not happened, through its principal London office to provide the Company with its offered quotation to leading banks for pounds sterling deposits in London for the Calculation Period concerned as at 11 am (London time) on the first Business Day of such Calculation Period The rate for such Calculation Period shall be the arithmetic mean (rounded upward, if necessary, to the nearest 1/16 per cent) of such quotations (or of such of them, being at least two, as are so provided), as determined by the Company

(g) In this paragraph, the expression ***Business Day*** means a day upon which pounds sterling deposits may be dealt in on the London inter bank market and commercial banks are generally open in London; and 'non cumulative' in relation to the B Share Continuing Dividend means that the dividend payable on each Payment Date is payable out of the profits of the Company available for distribution in respect of the accounting reference period in which the Payment Date falls (including any reserves representing profits made in previous accounting reference periods) without any right in the case of a deficiency to resort to profits made in subsequent accounting reference periods

(h) Payments of the B Share Continuing Dividend under Article 168(B)(d) shall be made to holders on the Company's relevant register on a date selected by the Directors, being not less than 15 days nor more than 42 days (or, in default

of selection by the Directors, on the date falling 15 days) prior to the relevant Payment Date

(i) The holders of the B Shares shall not be entitled to any further right of participation in the profits of the Company

(j) All B Share Continuing Dividends payable on the B Shares which are unclaimed for a period of 12 years from the date of due payment shall be forfeited and shall revert to the Company

(C) Capital

(a) Except as provided in Article 168(F) below, on a return of capital on winding up (excluding any intra group reorganisation on a solvent basis), the holders of the B Shares shall be entitled, in priority to any payment to the holders of ordinary shares, to £3.60 per B Share held by them, together with a sum equal to the relevant proportion of the B Share Continuing Dividend (if any) under Article 168(B)(c) which would have been payable, if the winding up had taken effect on the last day of the then current Calculation Period, the relevant proportion being the number of days from and including the preceding Payment Date (or, if the date of such winding up is prior to 22 May 2006, the Single Dividend Date) to, but excluding, the date of such winding up, divided by 365

(b) The aggregate entitlement of each holder of B Shares on a winding up in respect of all of the B Shares held by him shall be rounded up to the nearest whole penny

(c) On a winding up, the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 168(C)(a) above. If on such a winding up the amounts available for payment are insufficient to cover in full the amounts payable on the B Shares, the holders of such shares will share rateably in the distribution of assets (if any) in proportion to the full preferential amounts to which they are entitled

(d) The holders of the B Shares shall not be entitled to any further right of participation in the assets of the Company

(D) Attendance and voting at general meetings

(a) The holders of the B Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting unless

(i) the business of the meeting includes the consideration of a resolution for the winding up (excluding any intra group reorganisation on a solvent basis) of the Company, in which case the holders of the B

Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on any such resolution, or

(ii) at the date of the notice convening the meeting, the B Share Continuing Dividend has remained unpaid for six months or more from the relevant Payment Date, in which case the holders of the B Shares shall have the right to attend the general meeting and shall be entitled to speak and vote on all resolutions

(b) Whenever the holders of the B Shares are entitled to vote at a general meeting of the Company, on a show of hands every holder thereof who (being an individual) is present in person or (being a corporation) by a representative shall have one vote, and on a poll every such holder shall have one vote per B Share

(E) Company's right to purchase

(a) Subject to the provisions of the 1985 Act and to compliance with applicable securities law and regulations but without the need to obtain the sanction of any resolution of the holders of the B Shares, the Company may at any time and at its sole discretion purchase B Shares (i) in the market or (ii) by tender available alike to all holders of B Shares or (iii) by private treaty, in each case at a price and upon such other terms and conditions as the Directors may think fit

(b) Subject to the provisions of the 1985 Act, and pursuant to the authority provided in Article 168(E)(a) above, the Company may, at any time after 14 May 2011, without obtaining the sanction of the holders of the B Shares

(i) appoint any person to execute on behalf of all the holders of the B Shares a transfer of all of the B Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the Directors may determine, subject to the Company or such person (as the case may be) paying to the holders of the B Shares so transferred such amount as they would be entitled to under Article 168(C) were the Company to be wound up on such day, and

(ii) cancel all or any B Shares so purchased by the Company in accordance with the 1985 Act, and

(iii) in connection therewith, change the form of any B Shares held in uncertificated form to certificated form and cancel any relevant listing or trading of such B Shares (and the holders of the B Shares shall take, and the Company may on their behalf take, such steps as may be required in connection with such change of form or cancellation of listing)

(F) Class rights

(a) The Company may from time to time create, allot and issue further shares, whether ranking pari passu with or in priority or subsequent to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of B Shares

(b) A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares and, upon such reduction, the payment to the holders of the B Shares of the preferential amounts to which they would be entitled to under Article 168(C) were the Company to be wound up on the day that such reduction becomes effective (or the issue to the holders of the B Shares of new shares in any new holding company of the Company with substantially the same terms as the B Shares), shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares For the avoidance of doubt, the deemed variation of class rights referred to in Article 8(B)(a) shall not apply to the B Shares Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes (subject to obtaining, as applicable, the consent of the holders of the ordinary shares and the confirmation of the Court in each case in accordance with the 1985 Act) and such reduction (or purchase) shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares. The holders of the B Shares shall not be entitled to participate in any capitalisation of profits or reserves by the Company and any such capitalisation shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares

(c) If at any time a currency other than pounds sterling is accepted as legal tender in the United Kingdom in place of or in addition to pounds sterling, the Directors shall be entitled, without the consent of holders of the ordinary shares or the B Shares, to make such arrangements and adjustments in respect of the method of calculation and payment of any of the entitlements of holders of B Shares under these Articles as the Directors consider necessary, fair and reasonable in the circumstances to give effect to the rights attaching to the B Shares, including (without limitation) in respect of the calculation and payment of the B Share Continuing Dividend, notwithstanding the fact of such acceptance Any such arrangements and adjustments shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of B Shares

(G) Deletion of Article 168(A) (G) when no B Shares in existence

Article 168(A) (G) shall remain in force until there are no longer any B Shares in existence whether by way of conversion into Deferred Shares, repurchase and cancellation, whichever is earlier, notwithstanding any provision in the Articles to the

contrary. Thereafter Article 168(A) (G) shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 168(A) (G) are referred to in other Articles) and shall be deleted and replaced with the wording 'Article 168(A) (G) has been deleted', and the separate register for the holders of B Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 168(A) (G) before that date shall not otherwise be affected and any actions taken under Article 168(A)-(G) before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever

(H) Deferred Shares

(a) Income

The Deferred Shares shall confer no right to participate in the profits of the Company.

(b) Capital

On a return of capital on a winding up (excluding any intra group re organisation on a solvent basis) there shall be paid to the holders of the Deferred Shares the nominal capital paid up or credited as paid up on such Deferred Shares after.

(i) firstly, paying to the holders of the B Shares £3 60 per B Share held by them together with any outstanding entitlement to the B Share Continuing Dividend up to the Payment Date last preceding the return of capital; and

(ii) secondly, paying to the holders of the ordinary shares the nominal capital paid up or credited as paid up on the ordinary shares held by them respectively, together with the sum of £100,000 on each ordinary share.

The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company

(c) Attendance and voting at general meetings

The holders of the Deferred Shares shall not be entitled to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting

(d) Form

The Deferred Shares shall not be listed on any stock exchange nor shall any share certificates be issued in respect of such shares. The Deferred Shares shall not be transferable except in accordance with Article 168(H)(f) below or with the written consent of the Directors

(e) Class rights

The Company may from time to time create, allot and issue further shares, whether ranking pari passu with or in priority or subsequent to the Deferred Shares, and on

such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares A reduction by the Company of the capital paid up or credited as paid up on the Deferred Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares For the avoidance of doubt, the deemed variation of class rights referred to in Article 8(B)(a) shall not apply to the Deferred Shares Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes (subject to obtaining, as applicable, the consent of the holders of the ordinary shares and the confirmation of the Court in each case in accordance with the 1985 Act) and such reduction (or purchase) shall not involve a variation of any rights attaching to the Deferred Shares for any purpose or require the consent of the holders of the Deferred Shares.

(f) Transfer

The Company may at any time (and from time to time), subject to the provisions of the 1985 Act, without obtaining the sanction of the holder or holders of the Deferred Shares

(i) appoint any person to execute on behalf of any holder of Deferred Shares a transfer of all of the Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the Directors may determine (whether or not an officer of the Company), and any such transfer shall be for no consideration; and

(ii) cancel all or any of the Deferred Shares so acquired by the Company in accordance with the 1985 Act

(I) Deletion of Article 168(H) (I) when no Deferred Shares in existence

Article 168(H) (I) shall remain in force until there are no longer any Deferred Shares in existence, whichever is earlier, notwithstanding any provision in the Articles to the contrary Thereafter Article 168(H) (I) shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 168(H) (I) are referred to in other Articles) and shall be deleted and replaced with the wording 'Article 168(H) (I) has been deleted', and the separate register for the holders of Deferred Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 168(H) (I) before that date shall not otherwise be affected and any actions taken under Article 168(H) (I) before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever

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THE COMPANIES ACTS 1985 AND 1989

ARTICLES OF ASSOCIATION

of

SCOTTISH POWER PLC

(Adopted by a special resolution passed
on 4 May 2006 and amended pursuant to a special
resolution dated 30 March 2007)

Company Number 193794
Incorporated on 19 February 1999

COMPANIES FORM No. 123

G

Notice of increase in nominal capital

123

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2007 JUL 30 A 11:52

OFFICE OF INTERNATIONAL CORPORATE FINANCE

CHFP025

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

SC193794

Name of company

* Scottish Power plc (the "**Company**")

* Insert full name of company

gives notice in accordance with section 123 of the above Act that by resolution of the company dated 30 March 2007 the nominal capital of the company has been increased by £ 625,728,508.44 beyond the registered capital of £ 874,271,492

† 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 follows :

Following the cancellation of 2,227,654,220,620 A1 ordinary shares of 42/2,907 pence each, 2,066,393,907,634 A2 ordinary shares of 42/2,907 pence each and 36,887,048,020 A3 ordinary shares of 42/2,907 pence each, the Company created 4,330,935,176,274 new ordinary shares of 42/2,907 pence each (the "**New ScottishPower Shares**") The New ScottishPower Shares rank equally with and have the same rights as those attaching to the existing ordinary shares of 42 pence each of the Company

For a full description of the above transaction, please see the Order of the Court of Session, Edinburgh, Scotland dated 23 April 2007 and the minute of reduction in relation thereto, both of which were registered on 23 April 2007.

Please tick here if continued overleaf

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

Signed Shelagh J Duffield

Designation ‡ COMPANY SECRETARY

Date 27 APRIL 2007

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

Shepherd and Wedderburn LLP
Level 2
Saltire Court
20 Castle Terrace
Edinburgh

EH1 2ET

For official Use
General Section

Post room

MONDAY

30/04/2007 1264
COMPANIES HOUSE

Laserform International

COMPANIES FORM No. 122

G

Notice of consolidation, division, sub-division, redemption or cancellation of shares, or conversion, re-conversion of stock into shares

122

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CHFP025

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Pursuant to section 122 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

SC193794

Name of company

* Scottish Power plc (the "**Company**")

* insert full name of company

gives notice that.

By virtue of a Special Resolution passed at an Extraordinary General meeting of the Company on 30 March 2007:

(a) all of the ordinary issued share capital of the Company existing immediately prior to 3.00pm on 22 April 2007 (the "**Reorganisation Record Time**"), being 1,489,829,782 ordinary shares, were, at the Reorganisation Record Time, subdivided and reclassified into 2,227,654,220,620 A1 ordinary shares of 42/2,907 pence each (the "**A1 Shares**"), 2,066,393,907,634 A2 ordinary shares of 42/2,907 pence each (the "**A2 Shares**") and 36,887,048,020A3 ordinary shares of 42/2,907 pence each(the "**A3 Shares**"), and

(b) the A1 Shares, the A2 Shares and the A3 Shares were cancelled pursuant to an Order of the Court of Session in Edinburgh, Scotland (the "**Court**"). The Court confirmed a reduction of the share capital of the Company on 23 April 2007 and the Order issued by the Court in respect of the reduction of the share capital was registered, together with the relevant minute of reduction, on that same date.

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

Signed Sheelagh J Duffield Designation† COMPANY SECRETARY Date 27 APRIL 2007

Presentor's name address and reference (if any)
Shepherd and Wedderburn LLP
Level 2
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2ET

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MONDAY
SCT
COMPANIES HOUSE

International 3/00

Company Number SC193794

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2007 JUL 30 A 11:52

CERTIFIED A TRUE COPY
Paul W Hally
FOR AND ON BEHALF OF
SHEPHERD AND WEDDERBURN LLP
30/04/07 DATE

THE COMPANIES ACT 1985
COMPANY LMIITED BY SHARES

Special Resolution

of

Scottish Power plc (the "Company")

MONDAY

SCT 30/04/2007 1255
COMPANIES HOUSE

At an Extraordinary General Meeting of the Company duly convened and held at 12 54 p m on 30 March 2007 the following Resolution was duly passed as a Special Resolution of the Company

Special Resolution

"THAT

(1) the scheme of arrangement dated 26 February 2007 (the "**Scheme**"), between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman of the meeting in its original form or with or subject to any modification, addition or condition approved or imposed by the Court, be approved and the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect,

(2) for the purpose of giving effect to the Scheme, subject to the Scheme being sanctioned by the Court

(a) at the Reorganisation Record Time (as defined in the Scheme) each of the Scheme Shares (as defined in the Scheme) be subdivided and reclassified as follows

(i) in the case of Scheme Shares held by a Scheme Shareholder (as defined in the Scheme) who has not made any valid election under the Mix and Match Facility (as defined in the Scheme), each Scheme Share shall be subdivided and reclassified into 1,520 A1 ordinary shares of 42/2,907 pence each (the "**A1 Shares**") and 1,387 A2 ordinary shares of 42/2,907 pence each (the "**A2 Shares**"), such A1 Shares and A2 Shares having the rights set out in new article 5 to be adopted pursuant to sub paragraph (2)(b) of this resolution,

(ii) in the case of Scheme Shares held by a Scheme Shareholder who has made a valid election under the Mix and Match Facility (as defined in the Scheme) for cash consideration in respect of all of his Scheme Shares in accordance with the terms of the Scheme and such election is satisfied in full, each Scheme Share shall be subdivided and reclassified into 2,964 A1 Shares,

(iii) in the case of Scheme Shares held by a Scheme Shareholder who has made a valid election under the Mix and Match Facility for New Iberdrola Shares (as defined in the Scheme) in respect of all of his Scheme Shares in accordance with the terms of the Scheme and such election is satisfied in full, each Scheme Share shall be subdivided and reclassified into 2,847 A2 Shares,

(iv) in the case of Scheme Shares held by a Scheme Shareholder who has made a valid election under the Mix and Match Facility for cash consideration (i) in respect of part only of his holding of Scheme Shares or (ii) in respect of all or part only of his holding of Scheme Shares and such resultant entitlement to A1 Shares is scaled back in accordance with Clause 2 of the Scheme

(I) such number of Scheme Shares (as adjusted in accordance with the terms of the Scheme in the event of elections under the Mix and Match Facility being scaled back) in respect of which he has made a valid election for cash under the Mix and Match Facility shall each be subdivided and reclassified into 2,964 A1 Shares, and

(II) the balance of the Scheme Shares held by such Scheme Shareholder shall each be subdivided and reclassified into 1,520 A1 Shares and 1,387 A2 Shares, and

(v) in the case of Scheme Shares held by a Scheme Shareholder who has made a valid election under the Mix and Match Facility for New Iberdrola Shares (i) in respect of part only of his holding of Scheme Shares or (ii) in respect of all or part only of his holding of Scheme Shares and such election is scaled down in accordance with Clause 9 of the Scheme

(I) such number of Scheme Shares (as adjusted in accordance with the terms of the Scheme in the event of elections under the Mix and Match Facility being scaled back) in respect of which he has made a valid election for New Iberdrola Shares under the Mix and Match Facility shall each be subdivided and reclassified into 2,847 A2 Shares, and

(II) the balance of such Scheme Shares held by such Scheme Shareholder shall each be subdivided and reclassified into 1,520 A1 Shares and 1,387 A2 Shares,

PROVIDED THAT, in any case where a Scheme Shareholder makes a valid election under the Loan Note Alternative (as defined in the Scheme) ("**Loan Note Election**") (which Loan Note Election is satisfied under the terms of the Loan Note Alternative), the relevant Scheme Shares shall be subdivided and reclassified as provided in this resolution but on the basis that the subdivision and reclassification shall be into A1 Shares, A2 Shares and A3 Shares (defined below) where

(A) the number of A1 Shares which would otherwise result from the subdivision and reclassification is reduced by the number of A3 Shares determined pursuant to paragraph (C) below,

(B) the number of A2 Shares is determined as provided in paragraphs (i) to (v) above, and

(C) for each 5/19 pence of cash consideration in respect of which the Scheme Shareholder has made a valid election under the Loan Note Alternative (and which is not scaled back), such Scheme Shareholder shall receive 1 A3 ordinary share of 42/2,907 pence each ("**A3 Shares**") in nominal amount PROVIDED THAT Scheme Shares shall only be subdivided and reclassified into multiples of 380 A3 Shares,

and for the purposes of this sub paragraph (2)(a), each portion of a member's holding which is recorded in the Register of Members (as defined in the Scheme) by reference to a separate designation immediately prior to the Reorganisation Record Time, whether in certificated or uncertificated form, shall be treated as though it were a separate holding held at such time by a separate person,

(b) with effect from the subdivision and reclassification referred to in sub paragraph (2)(a) above, article 5 of the ScottishPower Articles (as defined in the Scheme) shall be replaced by the following new article 5

"5 **AUTHORISED SHARE CAPITAL**

5 1 The authorised share capital of the Company is £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), A1 ordinary shares of 42/2,907 pence each (the "**A1 Shares**"), A2 ordinary shares of 42/2,907 pence each (the "**A2 Shares**"), A3 ordinary shares of 42/2,907 pence each (the "**A3 Shares**"), 12,884,044 non cumulative preference B Shares of 50 pence each, 370,655,937 deferred shares of 50 pence each, one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each

5 2 The A1 Shares, the A2 Shares and the A3 Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares save that upon the scheme of arrangement dated 26 February 2007 between the Company and certain of the shareholders of the Company (in its form as at that date or with or subject to any modification thereof or addition thereto or condition agreed by the Company and Iberdrola, S A ("**Iberdrola**") and which the Court may think fit to approve or impose (the "**Scheme**") becoming effective, each A1 Share shall confer upon the holder thereof the right to receive 5/19 pence in cash and each A2 Share shall confer upon the holder thereof the right to receive 0 1646/1,387 of a new ordinary Share of par value €3 in the capital of

Iberdrola and each A3 Share shall confer on the holder thereof the right to receive 5/19 pence in nominal amount of floating rate unsecured loan notes of Iberdrola to be issued in accordance with and pursuant to the terms of the Scheme ",

(c) with effect from the Effective Date (as defined in the Scheme), the capital of the Company be reduced by cancelling and extinguishing all the A1 Shares,

(d) subject to and forthwith upon the capital reduction of the A1 Shares referred to in sub paragraph 2(c) taking effect and notwithstanding any other provision in the ScottishPower Articles

(i) the authorised share capital of the Company be increased to its former amount by the creation of such number of New ScottishPower Shares (as defined in the Scheme) as shall be equal to the aggregate number of A1 Shares cancelled pursuant to sub paragraph 2(c) above,

(ii) the reserve arising in the books of the Company as a result of the capital reduction of the A1 Shares be capitalised and applied by the Company in paying up in full at par the New ScottishPower Shares created pursuant to sub-paragraph 2(d)(i), which shall be allotted and issued (free from all liens, charges, encumbrances, rights of pre emption and any other third policy rights of any nature whatsoever) credited as fully paid to Iberdrola, S A ("**Iberdrola**") and/or its nominee in accordance with the terms of the Scheme, and

(iii) the directors of the Company be generally and unconditionally authorised for the purposes of and in accordance with section 80 of the Companies Act 1985 to give effect to this resolution and accordingly to allot the New ScottishPower Shares referred to in sub paragraph (d)(ii) above, provided that (1) the maximum aggregate nominal amount of shares which may be allotted hereunder and under sub paragraphs 2(g)(iii) and 2(j)(iii) below is £1,500,000,000 84, (2) this authority shall expire on 26 February 2010 and (3) this authority shall be in addition and without prejudice to any other authority under the said section 80 previously granted and in force on the date on which this resolution is passed,

(e) forthwith and contingently upon the increase in authorised share capital referred to in sub paragraph 2(d)(i) of this resolution, the ScottishPower Articles (as amended in the form referred to in sub paragraph 2(b) above) shall be further amended by the deletion of new article 5 referred to in sub paragraph 2(b) above and its replacement with the following article 5

"5. **AUTHORISED SHARE CAPITAL**

5 1 The authorised share capital of the Company is £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), ordinary shares of 42/2,907 pence each (the "**New ScottishPower Shares**"), A2 ordinary shares of 42/2,907 pence each (the "**A2 Shares**"), A3 ordinary shares of 42/2,907 pence each (the "**A3 Shares**"), 12,884,044 non-cumulative preference B Shares of 50 pence each, 370,655,937 deferred shares of 50 pence each, one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each

5 2 The New ScottishPower Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares

5 3 The A2 Shares and the A3 Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares save that upon the scheme of arrangement dated 26 February 2007 between the Company and certain of the shareholders of the Company (in its form as at that date or with or subject to any modification thereof or addition thereto or condition agreed by the Company and Iberdrola, S A ("**Iberdrola**") and which the Court may think fit to approve or impose) (the "**Scheme**") becoming effective, each A2 Share shall confer upon the holder thereof the right to receive 0 1646/1,387 of a new ordinary Share of par value €3 in the capital of Iberdrola and each A3 Share shall confer on the holder thereof the right to receive 5/19 pence in nominal amount of floating rate unsecured loan notes of Iberdrola issued in accordance with and pursuant to the terms of the Scheme ",

(f) forthwith and contingently upon the capital reduction of the A1 Shares referred to in sub paragraph 2(c) and the issue of New ScottishPower Shares to Iberdrola and/or its nominee pursuant to sub

paragraph 2(d)(ii), the issued ordinary share capital of the Company shall be reduced by cancelling and extinguishing all the A2 Shares,

(g) forthwith and contingently upon the capital reduction of A2 Shares referred to in sub paragraph 2(f) taking effect and notwithstanding any other provision in the ScottishPower Articles

(i) the authorised share capital of the Company shall be increased to its former amount by the creation of such number of New ScottishPower Shares as shall be equal to the aggregate number of A2 Shares cancelled pursuant to sub paragraph 2(f), and

(ii) the reserve arising in the books of account of the Company as a result of the capital reduction of the A2 Shares shall be capitalised and applied by the Company in paying up in full at par the New ScottishPower Shares created pursuant to sub paragraph 2(g)(i) which shall be allotted and issued (free from all liens, charges, encumbrances, rights of pre emption and any other third party rights of any nature whatsoever) credited as fully paid to Iberdrola and/or its nominee in accordance with the terms of the Scheme, and

(iii) the directors of the Company be generally and unconditionally authorised for the purposes of and in accordance with section 80 of the Companies Act 1985 to give effect to this resolution and accordingly to allot the New ScottishPower Shares referred to in sub paragraph 2(g)(ii) above, provided that (1) the maximum aggregate nominal amount of shares which may be allotted hereunder and under sub paragraphs 2(d)(iii) and 2(j)(iii) is £1,500,000,000 84, (2) this authority shall expire on 26 February 2010 and (3) this authority shall be in addition and without prejudice to any other authority under the said section 80 previously granted and in force on the date on which this resolution is passed,

(h) forthwith and contingently upon the increase in authorised share capital referred to in sub paragraph 2(g)(i) of this resolution, the ScottishPower Articles (as amended in the form referred to in sub paragraph 2(e) above) shall be further amended by the deletion of new article 5 referred to in sub paragraph 2(e) above and its replacement with the following article 5

"5 AUTHORISED SHARE CAPITAL

5 1 The authorised share capital of the Company is £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), ordinary shares of 42/2,907 pence (the "**New ScottishPower Shares**"), A3 ordinary shares of 42/2,907 pence each (the "**A3 Shares**"), 12,884,044 non cumulative preference B Shares of 50 pence each, 370,655,937 deferred shares of 50 pence each, one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each

5 2 The New ScottishPower Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares

5 3 The A3 Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares save that upon the scheme of arrangement dated 26 February 2007 between the Company and certain of the shareholders of the Company (in its form as at that date or with or subject to any modification thereof or addition thereto or condition agreed by the Company and Iberdrola, S A ("**Iberdrola**") and which the Court may think fit to approve or impose) (the "**Scheme**") becoming effective, each A3 Share shall confer on the holder thereof the right to receive 5/19 pence in nominal amount of floating rate unsecured loan notes of Iberdrola issued in accordance with and pursuant to the terms of the Scheme ",

(i) forthwith and contingently upon the capital reduction of the A1 Shares and A2 Shares referred to in sub paragraphs 2(c) and 2(f) and the issue of New ScottishPower Shares to Iberdrola and/or its nominee pursuant to sub paragraphs 2(d)(ii) and 2(g)(ii), the issued ordinary share capital of the Company shall be reduced by cancelling and extinguishing all the A3 Shares,

(j) forthwith and contingently upon the capital reduction of the A3 Shares referred to in sub paragraph 2(i) taking effect and notwithstanding any other provision in the Scottish Power Articles

(i) the authorised share capital of the Company shall be increased to its former amount by the creation of such number of New ScottishPower Shares as shall be equal to the aggregate number of A3 Shares cancelled pursuant to sub paragraph 2(i),

(ii) the reserve arising in the books of account of the Company as a result of the capital reduction of the A3 Shares shall be capitalised and applied by the Company in paying up in full at par the New ScottishPower Shares created pursuant to sub paragraph 2(j)(i) which shall be allotted and issued (free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever) credited as fully paid to Iberdrola and/or its nominee in accordance with the terms of the Scheme, and

(iii) the directors of the Company be generally and unconditionally authorised for the purposes of and in accordance with section 80 of the Companies Act 1985 to give effect to this resolution and accordingly to allot the New ScottishPower Shares referred to in sub paragraph (j)(ii) above, provided that (1) the maximum aggregate nominal amount of shares which may be allotted hereunder and under sub paragraphs 2(d)(iii) and 2(g)(iii) is £1,500,000,000 84, (2) this authority shall expire on 26 February 2010 and (3) this authority shall be in addition and without prejudice to any other authority under the said section 80 previously granted and in force on the date on which this resolution is passed,

(k) forthwith and contingently upon the increase in authorised share capital referred to in sub paragraph 2(j)(i) of this resolution, the ScottishPower Articles (as amended in the form referred to in sub paragraph 2(h) above) shall be further amended by the deletion of new article 5 referred to in sub paragraph 2(h) above and its replacement with the following article 5

"5 AUTHORISED SHARE CAPITAL

5 1 The authorised share capital of the Company is £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), ordinary shares of 42/2,907 pence (the "**New ScottishPower Shares**"), 12,884,044 non cumulative preference B Shares of 50 pence each, 370,655,937 deferred shares of 50 pence each, one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each

5 2 The New ScottishPower Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares ",

(3) if the Capital Reduction referred to in the Scheme does not become effective by 6 00 p m on the fifth Business Day following the Reorganisation Record Time, or such later date and time as may be agreed by the Company and Iberdrola and which the Court may think fit to approve or impose (the "**Reversal Time**")

(i) the subdivisions and reclassifications effected by paragraphs 2(b), 2(e), 2(h) and 2(k) above shall be reversed and the A1 Shares, A2 Shares and A3 Shares shall be consolidated into Ordinary Shares, and

(ii) with effect from the Reversal Time, article 5 of the ScottishPower Articles shall be replaced with the following new article 5

"5. AUTHORISED SHARE CAPITAL

5 1 The authorised share capital of the Company is 1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), 12,884,044 non cumulative preference B Shares of 50 pence each, 370,655,937 deferred shares of 50 pence each, one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each ", and

(4) with effect from the passing of this resolution, the ScottishPower Articles be altered by the adoption and inclusion of the following new article 5A

"SCHEME OF ARRANGEMENT

5A

(A) In this Article, the "**Scheme**" means the scheme of arrangement dated 26 February 2007, between the Company and certain of the shareholders of the Company under section 425 of the 1985 Act in its original form or with or subject to any modification, addition or condition the Court may think fit to approve or impose and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article

(B) Notwithstanding any other provision of these Articles, if the Company issues any Ordinary Shares (other than to Iberdrola, S A ("**Iberdrola**"), its nominee(s) or any of its subsidiaries) after the adoption of this Article and on or before the Reorganisation Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme and the holders of such shares shall be bound by the Scheme accordingly.",

provided that if the Scheme does not become effective by 31 July 2007, or such later date as the Company may determine, the Articles will be amended by the deletion of such Article 5A, and

(5) with effect from the Reorganisation Record Time (as defined in the Scheme), the Articles be altered by the adoption and inclusion of the following as new Article 5A(C) to (G)

"(C) Subject to the Scheme becoming effective, if any Ordinary Shares are issued to any person after the Reorganisation Record Time, other than

(i) under the Scheme,

(ii) to Iberdrola or its nominee(s) or any of its subsidiaries, or

(iii) to holders ("**Convertible Bondholders**") of the US $700,000,000 four per cent step up perpetual subordinated guaranteed convertible bonds issued by Scottish Power Finance (Jersey) Limited convertible into fully paid four per cent exchangeable redeemable preference shares of Scottish Power Finance (Jersey) Limited which are guaranteed by the Company and which will be exchangeable immediately upon issue for ScottishPower Shares ("**Convertible Bonds**"), who have exercised their conversion rights under the terms of the Convertible Bonds,

(a "**New Member**") after the Reorganisation Record Time, the said shares (the "**New Member Shares**") shall be issued, subject to Article 5A(F), on terms that they shall (on the Effective Date or, if later, on issue and subject to paragraph (D) below) be immediately transferred to Iberdrola or its nominee(s) in consideration (subject as hereinafter provided) of and conditional on

(i) the payment by Iberdrola to the New Member of 400 pence in cash and the issue or transfer of 0 1646 of an ordinary share (*accion ordinaria*) of €3 in the capital of Iberdrola (an "**Iberdrola Share**") for each such New Member Share (or in the event that Iberdrola undertakes any subdivision, alteration or consolidation of its share capital, such number of shares as adjusted to reflect such subdivision, alteration or consolidation) rounded down to the nearest whole number of an Iberdrola Share (or such other proportion of cash and New Iberdrola Shares the economic effect of which is equivalent to the payment of 400 pence in cash and the issue of 0 1646 of an Iberdrola Share) save that in the event that the law or regulation of a country or territory or its internal states or other governmental subdivisions outside the United Kingdom may preclude the allotment or issue or transfer to the New Member of Iberdrola Shares or may preclude the same except after compliance by the Company or Iberdrola (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Iberdrola (as the case may be) is unable to comply or which Iberdrola regards as onerous or in the event that Iberdrola is unable to confirm the availability of an exemption from any such formalities or whether a consent or other relief may be required without undertaking further administrative or other steps or making a request for relief or otherwise, then Iberdrola may in its sole discretion elect to allot or sell such Iberdrola Shares to a third party and remit the proceeds (net of expenses) to the New Member in lieu of 0 1646 of an Iberdrola Share Iberdrola Shares issued on or after the Effective Date, as a consequence of the exercise of options, will be delivered on the fourth Business Day after the Special Conversion Period Thereafter, participants will receive treasury shares held by Iberdrola, and

(ii) the payment by the Company to each New Member of 12 pence in cash for each New Member Share

(D) Any New Member may, before the allotment of New Member Shares pursuant to the exercise of an option under the ScottishPower Sharesave Scheme, give no less than five Business Days' (a **"Business Day"** being any day other than a Saturday or Sunday on which banks are generally open for business in the City of London, Edinburgh, New York and the city of Madrid (Spain)) written notice to the Company of his or her intention to transfer some or all of such shares to his or her spouse and may, if such notice has been validly given, on such shares being allotted to him or her immediately transfer to his or her spouse any such shares, provided that such shares will then be immediately transferred from that spouse to Iberdrola or its nominee(s) pursuant to paragraph (C) above as if the spouse were a New Member If notice has been validly given pursuant to this paragraph (D) but the New Member does not immediately transfer to his or her spouse the shares in respect of which the notice was given, such shares will be transferred to Iberdrola or its nominee(s) pursuant to paragraph (C) above

(E) Subject to the Scheme becoming effective, if any Ordinary Shares are issued after the Reorganisation Record Time (as defined in the Scheme) to Convertible Bondholders who have exercised their conversion rights under the terms of the Convertible Bonds, other than Ordinary Shares which are issued subject to the Scheme or to Iberdrola or its nominee(s) or any of its subsidiaries, the said shares (the **"Bondholder Shares"**) shall, subject to Article 5A(F), be issued on terms that they shall (on the Effective Date or, if later, on issue) be immediately transferred to Iberdrola or its nominee(s) in consideration (subject as hereinafter provided) of and conditional on the payment by Iberdrola to the holder of such Bondholder Shares of 400 pence in cash and the issue of 0 1646 of an Iberdrola Share for each such Bondholder Share (or in the event that Iberdrola undertakes any subdivision, alteration or consolidation of its share capital, such number of shares as adjusted to reflect such subdivision, alteration or consolidation) rounded down to the nearest whole number of an Iberdrola Share (or such other proportion of cash and New Iberdrola Shares the economic effect of which is equivalent to the payment of 400 pence in cash and the issue of 0 1646 of an Iberdrola Share) save that in the event that the law or regulation of a country or territory or its internal states or other governmental subdivisions outside the United Kingdom may preclude the allotment or issue to the holder of the Bondholder Shares of Iberdrola Shares or may preclude the same except after compliance by the Company or Iberdrola (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Iberdrola (as the case may be) is unable to comply or which Iberdrola regards as onerous or in the event that Iberdrola is unable to confirm the availability of an exemption from any such formalities or whether a consent or other relief may be required without undertaking further administrative or other steps or making a request for relief or otherwise, then Iberdrola may in its sole discretion elect to allot or sell such Iberdrola Shares to a third party and remit the proceeds (net of expenses) to the holder of such Bondholder Shares in lieu of 0 1646 of an Iberdrola Share for each such Bondholder Share Subject to compliance with the applicable Spanish law requirements, the Iberdrola Shares shall be issued

(i) in the case of Iberdrola Shares to be issued pursuant to conversion notices received from Convertible Bondholders at any time before 6 00 p m (London time) on the eighth Business Day following the Effective Date, on the twelfth Business Day following the Effective Date (the **"Second Issue Date"**),

(ii) in the case of Iberdrola Shares to be issued pursuant to the exercise of conversion rights after the Second Issue Date but before the end of the period of 60 days following the notice to Convertible Bondholders of the Effective Date or, if later, ending 60 days following the date on which notice thereof is given to Convertible Bondholders under the terms and conditions of the Convertible Bonds (the **"Special Conversion Period"**), but after the Second Issue Date, on the fourth Business Day after the end of the Special Conversion Period (the **"Third Issue Date"**), and

(iii) in the case of Iberdrola Shares to be issued pursuant to the exercise of Conversion Rights at any time after the Third Issue Date, Convertible Bondholders exercising their Conversion Rights will receive, as soon as practicable, Iberdrola Shares held as treasury stock

(F) On any reorganisation of, or material alteration to the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the cash payment per share to be paid under paragraphs (C) and (E) of this Article shall be adjusted by the Directors in such manner as they reasonably determine to be appropriate to reflect such reorganisation or alteration References in this Article to Ordinary Shares shall, following such adjustment, be construed accordingly

(G) To give effect to any transfer of New Member Shares and/or Bondholder Shares required pursuant to paragraphs (C) and (E) above, the Company may appoint any person as attorney for the New Member and/or holder of Bondholder Shares to transfer the New Member Shares and/or Bondholder Shares to Iberdrola and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the New Member Shares and/or Bondholder Shares in Iberdrola or its nominee(s) and pending such vesting to exercise all such rights attaching to the New Member Shares and/or Bondholder Shares as Iberdrola may direct If an attorney is so appointed, the New Member and/or holder of Bondholder Shares shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of Iberdrola) be entitled to exercise any rights attaching to the New Member Shares and/or Bondholder Shares unless so agreed by Iberdrola and the attorney shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member and/or holder of Bondholder Shares (or any subsequent holder) in favour of Iberdrola and/or its nominee and the Company may give a good receipt for the purchase price of the New Member Shares and/or Bondholder Shares and may register Iberdrola and/or its nominee as holder thereof and issue to it certificates for the same The Company shall not be obliged to issue a certificate to the New Member and/or holder of Bondholder Shares for the New Member Shares and/or Bondholder Shares respectively Iberdrola shall send a cheque drawn on a UK clearing bank in favour of the New Member and/or holder of Bondholder Shares (or any subsequent holder) for the cash portion of the purchase price of such New Member Shares and/or Bondholder Shares within five Business Days of the time at which the New Member Shares and/or Bondholder Shares are issued to the New Member and/or holder of Bondholder Shares Iberdrola Shares to be issued after the Effective Date as a consequence of exercise of options or rights under the ScottishPower Share Option Plans during the Special Conversion Period will receive Iberdrola Shares on the Second Issue Date or the Third Issue Date, as applicable Thereafter they will receive Iberdrola Shares from treasury as soon as reasonably practicable "

Chairman

Dated 30 March 2007

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Please complete in typescript, or in bold black capitals

CHFP025

RECEIVED

88(2)

(Revised 2005)

Return of Allotment of Shares

Company Number: SC193794

Company name in full: Scottish Power plc (the "Company")

Shares allotted (including bonus shares)

(see Guidance Booklet GBA6)

	From			To		
Date or period during which shares were allotted (If shares were allotted on one date enter that date in the "from" box)	Day	Month	Year	Day	Month	Year
	23	04	2007			

Class of shares (ordinary or preference etc)	Ordinary		
Number allotted	4,330,935,176,274		
Nominal value of each share	42/2907 pence		
Amount (if any) paid or due on each share (including any share premium)	42/2907 pence		

List the names and addresses of the allottees and the number and class of shares allotted to each overleaf

If the allotted shares (including bonus shares) are fully or partly paid up otherwise than in cash please state.

% that each share is to be treated as paid up	100		
% (if any) that each share is to be paid up in cash			

Consideration for which the shares were allotted (This information must be supported by the original or a certified copy of the contract or by Form 88(3) if the contract is not in writing)

Please see attached supplemental page

MONDAY

SCT 30/04/2007 1254
COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 2 Castle Terrace, Edinburgh, EH1 2EB DX 235 Edinburgh
for companies registered in Scotland or LP 4 Edinburgh 2

Names and addresses of the allottees

Shareholder details (list joint allottees as one shareholder)	Shares and share class allotted	
Name(s)	Class of shares allotted	Number allotted
Iberdrola S.A		
Address		
Cardenal Gardoqui	Ordinary	4,330,935,176,
8, 48008 Bilbao, Spain		274
UK Postcode		
Name(s)	Class of shares allotted	Number allotted
Address		
UK Postcode		
Name(s)	Class of shares allotted	Number allotted
Address		
UK Postcode		
Name(s)	Class of shares allotted	Number allotted
Address		
UK Postcode		
Name(s)	Class of shares allotted	Number allotted
Address		
UK Postcode		

Please enter the number of continuation sheets (if any) attached to this form 1

Signed Sheelagh J Duffield Date 27 APRIL 2007

** A director / secretary / ~~administrator / administrative receiver / receiver / official receiver / receiver manager / voluntary arrangement supervisor~~

** *Please delete as appropriate*

Contact Details
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to searchers of the public record

Sheelagh Duffield
ScottishPower
1 Atlantic Quay
Glasgow
G2 8SP
Tel +44 141 636 4544
DX number
DX exchange

Form 88(2) Supplemental Page

Company Number SC193794

Company Name Scottish Power plc

Consideration for which the shares were allotted:

The cancellation of 2,227,654,220,620 fully paid A1 ordinary shares of 42/2907 pence each, 2,066,393,907,634 fully paid A2 ordinary shares of 42/2907 pence each and 36,887,048,020 fully paid A3 ordinary shares of 42/2907 pence each in the capital of the Company pursuant to a scheme of arrangement under the Companies Act 1985 which was (a) approved by virtue of a special resolution of the Company passed on 30 March 2007, (b) sanctioned by the Court of Session by order dated 19 April 2007 and (c) confirmed by the Court of Session by a further order dated 23 April 2007

Grant Thornton

Grant Thornton UK LLP
Chartered Accountants
UK member of
Grant Thornton International

The Directors
Scottish Power PLC
1 Atlantic Quay
Robertson Street
GLASGOW
G2 8SP

22 April 2007

Dear Sirs

INDEPENDENT ACCOUNTANTS' REPORT TO SCOTTISH POWER PLC (THE "COMPANY") FOR THE PURPOSES OF SECTION 103(1) OF THE COMPANIES ACT 1985

We report on the value of the consideration for the allotment to Iberdrola, S A of 4,330,935,176,274 ordinary shares, having a nominal value of 42/2907 pence each and to be issued without a premium The shares are to be treated as fully paid up

The consideration for the allotment to Iberdrola, S A is the cancellation of 2,227,654,220,620 fully paid A1 ordinary shares in the Company (the "A1 Shares"), 2,066,393,907,634 fully paid A2 ordinary shares in the Company (the "A2 Shares") and 36,887,048,020 fully paid A3 ordinary shares in the Company (the "A3 Shares", together with the A1 Shares and the A2 Shares, the "Consideration") pursuant to a Scheme of Arrangement dated 26 February 2007

Basis of opinion

The Consideration was valued by us by reference to the amount of cash and the value of ordinary shares of €3 00 in Iberdrola, S A (the "Consideration Shares") to be paid to the Company's shareholders for the cancellation of the A1 Shares, A2 Shares and A3 Shares The Consideration Shares have been valued by reference to their market value as reported on the Bolsas de Valores on which the ordinary shares of Iberdrola, S A are traded We have also taken account of the assessment by the Directors of the Company and its advisers of the offer from Iberdrola, S A

1/4 Atholl Crescent
Edinburgh EH3 8LQ
T +44 (0)131 229 9181
F +44 (0)131 229 4560
DX ED428 Edinburgh
www grant thornton co uk

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales No OC307742 Registered office Grant Thornton House Melton Street Euston Square London NW1 2EP A list of members is available from our registered office

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business

The Consideration was valued by us on 20 April 2007.

Opinion

In our opinion, the methods of valuation of the Consideration were reasonable in all the circumstances There appears to have been no material change in the value of the Consideration since the valuation was made On the basis of the valuation, in our opinion, the value of the total Consideration is not less than £625,728,508 44 (being the total amount to be treated as paid up on the shares allotted)

Yours faithfully

Grant Thornton UK LLP

Grant Thornton UK LLP

DATACARE SOFTWARE GROUP

288b

Terminating appointment as director or secretary

(NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

Date of termination of appointment — Day 23 Month 04 Year 2007

as director ✓ as secretary ☐ *Please mark the appropriate box If terminating appointment as a director and secretary mark both boxes*

NAME *Style / Title: ☐ *Honours etc: OBE

Please insert details as previously notified to Companies House

Forename(s): Donald Hood

Surname: Brydon

†Date of Birth — Day 25 Month 05 Year 1945

A serving director, secretary etc must sign the form below

Signed [signature] **Date** 23-APRIL-2007

(** serving ~~director~~ / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

* Voluntary details
† Directors only
** Delete as appropriate

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be

Rhona Gregg, Scottish Power plc
1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP
Tel
DX number DX exchange

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Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh

WEDNESDAY
SCT 02/05/2007 838
COMPANIES HOUSE

Form May 2004

DATACARE

288b

Terminating appointment as director or secretary

(NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

RECEIVED 2007 JUL 30 A 11:

Company Number: SC193794

Company Name in full: Scottish Power plc

1/8/99

Date of termination of appointment (Day Month Year): 23 04 2007

as director: ✓ as secretary: ☐ *Please mark the appropriate box If terminating appointment as a director and secretary mark both boxes*

NAME *Style / Title: *Honours etc:

Please insert details as previously notified to Companies House

Forename(s): Charles

Surname: Miller Smith

†Date of Birth (Day Month Year): 07 11 1939

A serving director, secretary etc must sign the form below.

Signed: Theelagh J Duffield Date: 23-APRIL-2007

(** serving director / secretary / administrator / administrative receiver / receiver manager / receiver)

* Voluntary details
† Directors only
** Delete as appropriate

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for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh

WEDNESDAY
SCT 02/05/2007 839
COMPANIES HOUSE

Form May 2004

DATACARE SOFTWARE GROUP

288b

Terminating appointment as director or secretary

(NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year
Date of termination of appointment	23	04	2007

as director ✓ as secretary ☐ *Please mark the appropriate box If terminating appointment as a director and secretary mark both boxes*

NAME *Style / Title ☐ *Honours etc ☐

Please insert details as previously notified to Companies House

Forename(s) Simon Jonathan

Surname Lowth

	Day	Month	Year
†Date of Birth	08	09	1961

A serving director, secretary etc must sign the form below

Signed Sheelagh J Duffield **Date** 23-APRIL-2007

(** serving ~~director~~ / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

* Voluntary details
† Directors only
** Delete as appropriate

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Tel
DX number DX exchange

WEDNESDAY
SC. 02/05/2007 1705
COMPANIES HOUSE

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for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh

Form May 2004

DSG DATACARE SOFTWARE GROUP

288b

Terminating appointment as director or secretary

(NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

RECEIVED 2007 JUL 30 A 11:

Company Number: SC193794

Company Name in full: Scottish Power plc

Date of termination of appointment (Day Month Year): 23 04 2007

as director: ✓ as secretary: ☐

Please mark the appropriate box If terminating appointment as a director and secretary mark both boxes

NAME

*Style / Title: Mr

*Honours etc:

Please insert details as previously notified to Companies House

Forename(s): Philip

Surname: Bowman

†Date of Birth (Day Month Year): 14 12 1952

A serving director, secretary etc must sign the form below

Signed: Sheelagh J Duffield Date: 23-APR-2007

(** serving ~~director~~ / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

* Voluntary details
† Directors only
** Delete as appropriate

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WEDNESDAY

SCT 02/05/2007 1706
COMPANIES HOUSE

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for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh

Form May 2004

DATACARE SOFTWARE GROUP

288b

Terminating appointment as director or secretary

(NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

RECEIVED 2007 JUL 30 A 11:22

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year
Date of termination of appointment	23	04	2007

as director ✓ as secretary ☐ *Please mark the appropriate box If terminating appointment as a director and secretary mark both boxes*

NAME *Style / Title: Mr *Honours etc:

Please insert details as previously notified to Companies House

Forename(s): Peter Charles Fletcher

Surname: Hickson

	Day	Month	Year
†Date of Birth	30	05	1945

A serving director, secretary etc must sign the form below

Signed Angela J Duffield **Date** 23-APRIL-2007

(** serving ~~director~~ / secretary ~~/ administrator / administrative receiver / receiver manager / receiver~~)

* Voluntary details
† Directors only
** Delete as appropriate

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1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP
Tel
DX number DX exchange

WEDNESDAY SCT 02/05/2007 1707 COMPANIES HOUSE

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for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh

Form May 2004

DATACARE SOFTWARE GROUP

288b

Terminating appointment as director or secretary

(NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

Date of termination of appointment (Day Month Year): 23 04 2007

as director ✓ as secretary ☐ *Please mark the appropriate box If terminating appointment as a director and secretary mark both boxes*

NAME *Style / Title ☐ *Honours etc ☐

Please insert details as previously notified to Companies House

Forename(s) Nicholas Charles

Surname Rose

†Date of Birth (Day Month Year): 05 10 1957

A serving director, secretary etc must sign the form below

Signed Sheelagh J Duffield **Date** 23-APRL-2007

(** serving ~~director~~ / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

* Voluntary details
† Directors only
** Delete as appropriate

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for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh

WEDNESDAY
SCT 02/05/2007 1708
COMPANIES HOUSE

Form May 2004

DSG DATACARE SOFTWARE GROUP

288b

Terminating appointment as director or secretary

(NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year
Date of termination of appointment	23	04	2007

as director ✓ as secretary ☐ *Please mark the appropriate box If terminating appointment as a director and secretary mark both boxes*

NAME *Style / Title *Honours etc

Please insert details as previously notified to Companies House

Forename(s) Nancy

Surname Wilgenbusch

	Day	Month	Year
†Date of Birth	17	09	1947

RECEIVED 2007 JUL 30 A 11:42

A serving director, secretary etc must sign the form below.

Signed Sheelagh J Duffield **Date** 23-April-2007

(** serving director / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

* Voluntary details
† Directors only
** Delete as appropriate

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be

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Tel
DX number DX exchange

WEDNESDAY
SCT 02/05/2007 1709
COMPANIES HOUSE

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for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh

Form May 2004

DSG DATACARE SOFTWARE GROUP

288b

Terminating appointment as director or secretary

(NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year
Date of termination of appointment	23	04	2007

as director ✓ as secretary ☐ *Please mark the appropriate box If terminating appointment as a director and secretary mark both boxes*

NAME *Style / Title ☐ *Honours etc ☐

Please insert details as previously notified to Companies House

Forename(s) Euan

Surname Baird

	Day	Month	Year
†Date of Birth	16	09	1937

RECEIVED 2007 JUL 30 A 11:12 OFFICE OF INTERNATIONAL CORPORATE FINANCE

A serving director, secretary etc must sign the form below

Signed Sheelagh J Duffield **Date** 23-April-2007

(** serving ~~director~~ / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

* Voluntary details
† Directors only
** Delete as appropriate

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be

Rhona Gregg, Scottish Power plc
1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP
Tel
DX number DX exchange

WEDNESDAY

SCT 02/05/2007 1710
COMPANIES HOUSE

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or LP 4 Edinburgh

Form May 2004

DSG DATACARE SOFTWARE GROUP

288a

APPOINTMENT of director or secretary

(NOT for resignation (use Form 288b) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals.

CHFP029

RECEIVED 2007 APR 30 A 11:

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year		Day	Month	Year
Date of appointment	23	04	2007	†Date of Birth	29	04	1954

Appointment form

Notes on completion appear on reverse

Appointment as director ✓ as secretary [ ] *Please mark the appropriate box. If appointment is as a director and secretary mark both boxes*

NAME *Style / Title [ ] *Honours etc [ ]

Forename(s) Jose Luis

Surname del Valle Doblado

Previous Forename(s) [ ] Previous Surname(s) [ ]

†† Usual residential address Avenida de los Madronos, 64

Post town 28043 Madrid Postcode [ ]

County / Region [ ] Country Spain

†Nationality Spanish †Business occupation Mining Engineer

†Other directorships (additional space overleaf) NO OTHER RELEVANT DIRECTORSHIPS

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under the provisions of section 723B of the Companies Act 1985 [ ]

I consent to act as ** director / ~~secretary~~ of the above named company

Consent signature Date 23-04-2007

* Voluntary details
† Directors only
**Delete as appropriate

A director, secretary etc must sign the form below.

Signed Date 24/4/2007

(**a director / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you

Rhona Gregg, Scottish Power plc

1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP

Tel

DX number DX exchange

WEDNESDAY

SC1 02/05/2007 1702
COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh 2

Form May 2004

Company Number SC193794

† Directors only

†Other directorships

NOTES

Show the full forenames NOT INITIALS If the director or secretary is a corporation or Scottish firm, show the name on surname line and registered or principal office on the usual residential line

Give previous forenames or surname(s) except for a married woman the name by which she was known before marriage need not be given

for names not used since the age of 18 or for at least 20 years

A peer or individual known by a title may state the title instead of or in addition to the forenames and surname and need not give the name by which that person was known before he or she adopted the title or succeeded to it

Other directorships

Give the name of every company incorporated in Great Britain of which the person concerned is a director or has been a director at any time in the past five years

You may exclude a company which either is, or at all times during the past five years when the person concerned was a director, was

dormant

a parent company which wholly owned the company making the return, or

another wholly owned subsidiary of the same parent company

DSG DATACARE SOFTWARE GROUP

288a

APPOINTMENT of director or secretary

(NOT for resignation (use Form 288b) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year		Day	Month	Year
Date of appointment	23	04	2007	†Date of Birth	07	06	1970

Appointment form

Notes on completion appear on reverse

Appointment as director ✓ as secretary ☐ *Please mark the appropriate box If appointment is as a director and secretary mark both boxes*

NAME *Style / Title *Honours etc

Forename(s) Jose Miguel

Surname Alcolea Cantos

Previous Forename(s) Previous Surname(s)

†† Usual residential address Calle de Fernandez de la Hoz, 3

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under the provisions of section 723B of the Companies Act 1985 ☐

Post town 28010 Madrid Postcode

County / Region Country Spain

†Nationality Spanish †Business occupation Lawyer

†Other directorships (additional space overleaf) NO OTHER RELEVANT DIRECTORSHIPS

I consent to act as ** director / ~~secretary~~ of the above named company

Consent signature Date 23-04-2007

* Voluntary details
† Directors only
**Delete as appropriate

A director, secretary etc must sign the form below

Signed Sheelagh J Duffield **Date** 24-04-2007

(**a director / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to ...

Rhona Gregg, Scottish Power plc

1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP

Tel

DX number DX exchange

WEDNESDAY

SCT 02/05/2007 1703
COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh 2

Form May 2004

Company Number SC193794

† Directors only

†Other directorships

NOTES

Show the full forenames, NOT INITIALS If the director or secretary is a corporation or Scottish firm, show the name on surname line and registered or principal office on the usual residential line

Give previous forenames or surname(s) except for a married woman, the name by which she was known before marriage need not be given

for names not used since the age of 18 or for at least 20 years

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Other directorships

Give the name of every company incorporated in Great Britain of which the person concerned is a director or has been a director at any time in the past five years

You may exclude a company which either is, or at all times during the past five years when the person concerned was a director, was

dormant

a parent company which wholly owned the company making the return, or

another wholly owned subsidiary of the same parent company

DSG DATACARE SOFTWARE GROUP

288a

APPOINTMENT of director or secretary

(NOT for resignation (use Form 288b) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

RECEIVED 2007 JUL 30 A 11:

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year		Day	Month	Year
Date of appointment	23	04	2007	†Date of Birth	28	11	1966

Appointment form

Notes on completion appear on reverse

Appointment as director ✓ as secretary ☐ *Please mark the appropriate box. If appointment is as a director and secretary mark both boxes*

NAME *Style / Title ☐ *Honours etc ☐

Forename(s) Ramon Antonio

Surname Fernandez

Previous Forename(s) ☐ Previous Surname(s) ☐

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under the provisions of section 723B of the Companies Act 1985

†† Usual residential address Sector Escultores 36 4B, 28760 Tres Cantos

Post town Madrid Postcode ☐

County / Region ☐ Country Spain

†Nationality Spanish †Business occupation Lawyer and Economist

†Other directorships (additional space overleaf) NO OTHER RELEVANT DIRECTORSHIPS

I consent to act as ** director / ~~secretary~~ of the above named company

Consent signature [signature] **Date** 23-04-2007

* Voluntary details
† Directors only
**Delete as appropriate

A director, secretary etc must sign the form below

Signed Sheelagh J Duffield **Date** 24/4/2007

(**a director / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you [illegible]

Rhona Gregg, Scottish Power plc

1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP

Tel

DX number DX exchange

WEDNESDAY

COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh 2

Form May 2004

Company Number SC193794

† Directors only

†Other directorships

NOTES

Show the full forenames, NOT INITIALS If the director or secretary is a corporation or Scottish firm, show the name on surname line and registered or principal office on the usual residential line

Give previous forenames or surname(s) except for a married woman, the name by which she was known before marriage need not be given

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Other directorships

Give the name of every company incorporated in Great Britain of which the person concerned is a director or has been a director at any time in the past five years

You may exclude a company which either is, or at all times during the past five years when the person concerned was a director, was

dormant

a parent company which wholly owned the company making the return, or

another wholly owned subsidiary of the same parent company

DSG DATACARE SOFTWARE GROUP

288a

APPOINTMENT of director or secretary

(NOT for resignation (use Form 288b) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals.

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year		Day	Month	Year
Date of appointment	23	04	2007	†Date of Birth	10	09	1961

Appointment form

Appointment as director ✓ as secretary ☐ *Please mark the appropriate box. If appointment is as a director and secretary mark both boxes*

Notes on completion appear on reverse

NAME *Style / Title *Honours etc

Forename(s) Javier Maria

Surname Urquidi

Previous Forename(s) Previous Surname(s)

†† Usual residential address 20 Gregorio de la Revilla Street, 6th Floor DH

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under the provisions of section 723B of the Companies Act 1985 ☐

Post town Bilbao 48011 Postcode

County / Region Country Spain

†Nationality Spanish †Business occupation Economist

†Other directorships (additional space overleaf) NO OTHER RELEVANT DIRECTORSHIPS

I consent to act as ** director / ~~secretary~~ of the above named company

Consent signature Date 23 / 4 / 2007

* Voluntary details
† Directors only
**Delete as appropriate

A director, secretary etc must sign the form below.

Signed Date 24/4/2007

(**a director / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the

Rhona Gregg, Scottish Power plc

1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP

Tel

DX number DX exchange

WEDNESDAY

SCT 02/05/2007 1710
COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh 2

Form May 2004

Company Number SC193794

† Directors only

†Other directorships

NOTES

Show the full forenames, NOT INITIALS If the director or secretary is a corporation or Scottish firm, show the name on surname line and registered or principal office on the usual residential line

Give previous forenames or surname(s) except for a married woman, the name by which she was known before marriage need not be given

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dormant

a parent company which wholly owned the company making the return, or

another wholly owned subsidiary of the same parent company

DSG DATACARE SOFTWARE GROUP

288a

APPOINTMENT of director or secretary

(NOT for resignation (use Form 288b) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals.

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year		Day	Month	Year
Date of appointment	23	04	2007	†Date of Birth	30	06	1953

Appointment form

Notes on completion appear on reverse

Appointment as director ✓ as secretary ☐ *Please mark the appropriate box. If appointment is as a director and secretary mark both boxes*

NAME *Style / Title *Honours etc

Forename(s) Francisco Javier

Surname Morras Zuazo

Previous Forename(s) Previous Surname(s)

†† Usual residential address 2 Alangobarn Street, First Floor Left

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under the provisions of section 723B of the Companies Act 1985 ☐

Post town Getxo 48992 Postcode

County / Region Country Spain

†Nationality Spanish †Business occupation Economist

†Other directorships (additional space overleaf) NO OTHER RELEVANT DIRECTORSHIPS

I consent to act as ** director / ~~secretary~~ of the above named company

Consent signature Date 23/4/2007

* Voluntary details
† Directors only
**Delete as appropriate

A director, secretary etc must sign the form below

Signed Sheelagh J Duffield **Date** 24/4/2007

(**a director / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the

Rhona Gregg, Scottish Power plc
1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP
Tel
DX number DX exchange

WEDNESDAY
SCT
COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh 2

Form May 2004

Company Number SC193794

† Directors only

†Other directorships

NOTES

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dormant

a parent company which wholly owned the company making the return, or

another wholly owned subsidiary of the same parent company

DSG DATACARE SOFTWARE GROUP

288b

Terminating appointment as director or secretary

(NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

Date of termination of appointment (Day Month Year) 24 04 2007

as director ✓ as secretary ☐ *Please mark the appropriate box If terminating appointment as a director and secretary mark both boxes*

NAME *Style / Title ☐ *Honours etc ☐

Please insert details as previously notified to Companies House

Forename(s) Javier Maria

Surname Urquidi

†Date of Birth (Day Month Year) 10 09 1961

RECEIVED 30 APR 07

A serving director, secretary etc must sign the form below

Signed Michelle J Suffield **Date** 24/4/07

(** serving ~~director~~ / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

* Voluntary details
† Directors only
** Delete as appropriate

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be

Rhona Gregg, Scottish Power plc
1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP
Tel
DX number DX exchange

WEDNESDAY
SCT 02/05/2007 1716
COMPANIES HOUSE

When you have completed and signed the form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh

Form May 2004

DSG DATACARE SOFTWARE GROUP

288b

Terminating appointment as director or secretary

(NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

Date of termination of appointment (Day Month Year): 24 04 2007

as director ✓ as secretary ☐ *Please mark the appropriate box If terminating appointment as a director and secretary mark both boxes*

Please insert details as previously notified to Companies House

NAME *Style / Title: ☐ *Honours etc: ☐

Forename(s): Ramon Antonio

Surname: Fernandez

†Date of Birth (Day Month Year): 28 11 1966

A serving director, secretary etc must sign the form below

Signed Meelagh J Duffield **Date** 24/4/07

(** serving ~~director~~ / secretary / ~~administrator~~ / ~~administrative receiver~~ / ~~receiver manager~~ / ~~receiver~~)

* Voluntary details
† Directors only
** Delete as appropriate

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be

Rhona Gregg, Scottish Power plc
1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP
Tel
DX number DX exchange

WEDNESDAY
SCT 02/05/2007 1717
COMPANIES HOUSE

When you have completed and signed the form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh

Form May 2004

DSG DATACARE SOFTWARE GROUP

288a

APPOINTMENT of director or secretary

(NOT for resignation (use Form 288b) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

RECEIVED 2007 JUL 30 A 11:

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year		Day	Month	Year
Date of appointment	24	04	2007	†Date of Birth	30	09	1950

Appointment form

Appointment as director ✓ as secretary ☐ *Please mark the appropriate box. If appointment is as a director and secretary mark both boxes*

Notes on completion appear on reverse

NAME *Style / Title | *Honours etc

Forename(s) José Ignacio

Surname Sanchez Galán

Previous Forename(s) | Previous Surname(s)

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under the provisions of section 723B of the Companies Act 1985

†† Usual residential address Calle Hermano Garate, 4

Post town Madrid | Postcode 28020

County / Region | Country Spain

†Nationality Spanish | †Business occupation Industrial Engineer

†Other directorships (additional space overleaf) NO OTHER RELEVANT DIRECTORSHIPS

I consent to act as ** director / ~~secretary~~ of the above named company

Consent signature [signature] **Date** 24/04/2007

* Voluntary details
† Directors only
**Delete as appropriate

A director, secretary etc must sign the form below.

Signed Sheelagh J Duffield **Date** 24/4/07

(**a ~~director~~ / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you [illegible] to searchers of the

Rhona Gregg, Scottish Power plc

1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP

Tel

DX number | DX exchange

WEDNESDAY

SC[illegible]

COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh 2

Form May 2004

Company Number SC193794

† Directors only

†Other directorships

NOTES

Show the full forenames, NOT INITIALS If the director or secretary is a corporation or Scottish firm, show the name on surname line and registered or principal office on the usual residential line

Give previous forenames or surname(s) except for a married woman, the name by which she was known before marriage need not be given

for names not used since the age of 18 or for at least 20 years

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Other directorships

Give the name of every company incorporated in Great Britain of which the person concerned is a director or has been a director at any time in the past five years

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dormant

a parent company which wholly owned the company making the return, or

another wholly owned subsidiary of the same parent company

DSG DATACARE SOFTWARE GROUP

288a

APPOINTMENT of director or secretary

(NOT for resignation (use Form 288b) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year		Day	Month	Year
Date of appointment	24	04	2007	†Date of Birth	30	07	1955

Appointment form

Notes on completion appear on reverse

Appointment as director ✓ as secretary ☐ *Please mark the appropriate box if appointment is as a director and secretary mark both boxes*

NAME *Style / Title *Honours etc

Forename(s) Fernando

Surname Becker Zuazua

Previous Forename(s) Previous Surname(s)

†† Usual residential address Calle Islas Cananas 6

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under the provisions of section 723B of the Companies Act 1985 ☐

Post town Boadilla del Monte Madrid Postcode 28660

County / Region Country Spain

†Nationality Spanish †Business occupation Economist

†Other directorships (additional space overleaf) NO OTHER RELEVANT DIRECTORSHIPS

I consent to act as ** director / ~~secretary~~ of the above named company

Consent signature Date 24/04/2007

* Voluntary details
† Directors only
**Delete as appropriate

A director, secretary etc must sign the form below

Signed Michelle J Duffield **Date** 27/04/2007

(**a ~~director / secretary / administrator / administrative receiver / receiver manager / receiver~~)

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you

Rhona Gregg, Scottish Power plc

1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP

Tel

DX number DX exchange

WEDNESDAY

SCT 02/05/2007 1704
COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh 2

Form May 2004

Company Number SC193794

† Directors only

†Other directorships

NOTES

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dormant

a parent company which wholly owned the company making the return, or

another wholly owned subsidiary of the same parent company

DSG DATACARE SOFTWARE GROUP

288a

APPOINTMENT of director or secretary

(NOT for resignation (use Form 288b) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year		Day	Month	Year
Date of appointment	24	04	2007	†Date of Birth	01	09	1946

Appointment form

Notes on completion appear on reverse

Appointment as director ✓ as secretary ☐ *Please mark the appropriate box If appointment is as a director and secretary mark both boxes*

NAME *Style / Title *Honours etc

Forename(s) Jose Luis

Surname San Pedro Gerenabarrena

Previous Forename(s) Previous Surname(s)

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under the provisions of section 723B of the Companies Act 1985 ☐

†† Usual residential address Avenida de Mazarredo 17 3ºB

Post town Bilbao Postcode 48001

County / Region Country Spain

†Nationality Spanish †Business occupation Engineer

†Other directorships (additional space overleaf) NO OTHER RELEVANT DIRECTORSHIPS

I consent to act as ** director / ~~secretary~~ of the above named company

Consent signature Date 24/04/2007

* Voluntary details
† Directors only
**Delete as appropriate

A director, secretary etc must sign the form below.

Signed Date 27/04/07

(**a director / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to searchers of the

Rhona Gregg, Scottish Power plc

1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP

Tel

DX number DX exchange

WEDNESDAY

SCT 02/05/2007 1715
COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh 2

Form May 2004

Company Number SC193794

† Directors only

†Other directorships

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a parent company which wholly owned the company making the return, or

another wholly owned subsidiary of the same parent company

DSG DATACARE SOFTWARE GROUP

288a

APPOINTMENT of director or secretary

(NOT for resignation (use Form 288b) or change of particulars (use Form 288c))

Please complete in typescript, or in bold black capitals

CHFP029

Company Number SC193794

Company Name in full Scottish Power plc

	Day	Month	Year		Day	Month	Year
Date of appointment	24	04	2007	†Date of Birth	03	11	1959

Appointment form

Notes on completion appear on reverse

Appointment as director ✓ as secretary ☐ *Please mark the appropriate box If appointment is as a director and secretary mark both boxes*

NAME *Style / Title *Honours etc

Forename(s) Jose

Surname Sainz Armada

Previous Forename(s) Previous Surname(s)

†† Usual residential address Calle Madre De Dios, 31 A

†† Tick this box if the address shown is a service address for the beneficiary of a Confidentiality Order granted under the provisions of section 723B of the Companies Act 1985 ☐

Post town Madrid Postcode 28016

County / Region Country Spain

†Nationality Spanish †Business occupation Economist

†Other directorships (additional space overleaf) NO OTHER RELEVANT DIRECTORSHIPS

I consent to act as ** director / ~~secretary~~ of the above named company

Consent signature Date 26/04/2007

* Voluntary details
† Directors only
**Delete as appropriate

A director, secretary etc must sign the form below

Signed Date 27/04/2007

(**~~a director~~ / secretary / ~~administrator / administrative receiver / receiver manager / receiver~~)

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you [illegible] will be visible to searchers of the

Rhona Gregg, Scottish Power plc

1 Atlantic Quay, Glasgow, United Kingdom, G2 8SP

Tel

DX number DX exchange

WEDNESDAY

SCT 02/05/2007 1714
COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh
or LP 4 Edinburgh 2

Form May 2004

Company Number SC193794

† Directors only

†Other directorships

NOTES

Show the full forenames, NOT INITIALS If the director or secretary is a corporation or Scottish firm, show the name on surname line and registered or principal office on the usual residential line

Give previous forenames or surname(s) except for a married woman, the name by which she was known before marriage need not be given

for names not used since the age of 18 or for at least 20 years

A peer or individual known by a title may state the title instead of or in addition to the forenames and surname and need not give the name by which that person was known before he or she adopted the title or succeeded to it

Other directorships

Give the name of every company incorporated in Great Britain of which the person concerned is a director or has been a director at any time in the past five years

You may exclude a company which either is, or at all times during the past five years when the person concerned was a director, was

dormant

a parent company which wholly owned the company making the return, or

another wholly owned subsidiary of the same parent company

88(2)

RECEIVED

Return of allotments of shares

Please complete in typescript, or in bold black capitals.
CHFP109

Company Number 193794

Company Name in full Scottish Power plc

Shares allotted (including bonus shares)

Date or period during which shares were allotted (if shares were allotted on one date enter that date in the "from" box)	From Day	From Month	From Year	To Day	To Month	To Year
	16	04	2007			

Class of shares (ordinary or preference etc)	Ordinary		
Number allotted	14,429		
Nominal value of each shares	£ 0 42		
Amount (if any) paid or due on each	N/A		

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state.

% that each share is to be treated as paid up	100%		

Consideration for which the shares were allotted
(This information must be supported by the duly stamped contract or by the duly stamped particulars on Form 88(3) if the contract is not in writing)

CANCELLATION OF 110 PREFERENCE SHARES (WITH A PAID-UP VALUE OF US $1,000 EACH) IN SCOTTISH POWER FINANCE (JERSEY) LIMITED AS OUTLINED IN ATTACHED DOCUMENTS.

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

WEDNESDAY

SCT 09/05/2007 COMPANIES HOUSE

SCT 30/04/2007 COMPANIES HOUSE 1359

Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB DX 235 Edinburgh

Companies registered in Scotland

Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

For companies registered in England and Wales

Names and addresses of the allottees

Shareholder details	Shares and Share Class allotted	
Name Euroclear Nominees Limited (CREST I D 56XKK / Acct Number EOC01)	**Class of Shares allotted**	**Number allotted**
Address C/O The Bank of New York London, One Piccadilly Gardens, Manchester M1 1RN	Ordinary	14,429
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		

Please enter the number of continuation sheets (if any) attached to this form

Signed Assistant Secretary **Date** 16/04/2007

A director / secretary / administrator / administrative receiver / receiver manager / receiver Please delete as appropriate

Please give the name address and Telephone number of the person Companies House should contact if there is any query

John Douglas
Scottish Power plc
1 Atlantic Quay
Glasgow
G2 8SP
Tel 0141 566 4563

Dated 10 July 2003

2007 JUL 30 A 11: 23

SCOTTISH POWER FINANCE (JERSEY) LIMITED

and

SCOTTISH POWER PLC

and

THE LAW DEBENTURE TRUST CORPORATION p.l.c.

TRUST DEED

constituting
U S $700,000,000 4 00 per cent Step Up Perpetual Subordinated Guaranteed Convertible Bonds

Guaranteed by Scottish Power plc and convertible into 4 00 per cent Exchangeable Redeemable Preference Shares in Scottish Power Finance (Jersey) Limited which will be exchanged immediately for Ordinary Shares in Scottish Power plc

Linklaters

WEDNESDAY
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COMPANIES HOUSE
SCT 30/04/2007 245
COMPANIES HOUSE

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This Trust Deed is made on 10 July 2003 **between**·

(1) **SCOTTISH POWER FINANCE (JERSEY) LIMITED** (the "**Issuer**") whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX,

(2) **SCOTTISH POWER PLC** (the "**Guarantor**") whose registered office is at 1 Atlantic Quay, Robertson Street, Glasgow G2 8FP, and

(3) **THE LAW DEBENTURE TRUST CORPORATION p l c** whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the "**Trustee**", which expression shall, where the context so admits, include all persons for the time being the trustee or trustees of this Trust Deed)

Whereas

(A) The Issuer, incorporated with limited liability in Jersey, has by a resolution of its Board of Directors passed on 8 July 2003 authorised the issue of U S $700,000,000 4 00 per cent Step Up Perpetual Subordinated Guaranteed Convertible Bonds to be constituted by this Trust Deed

(B) The Guarantor, incorporated with limited liability in Scotland, has by resolutions of its Board of Directors passed on 29 May 2003 and a Committee of its Board of Directors passed on 17 June and 3 July 2003 resolved to give the guarantee of the Bonds and the Preference Shares (each as defined in Clause 1 1 below) upon and subject to the terms and conditions set out below, the Articles of the Issuer and the Deed Poll and has authorised the issue of the Ordinary Shares for which the Preference Shares will be exchanged

(C) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions

Now this Deed witnesses and it is hereby agreed and declared as follows

1 Interpretation

1.1 Definitions: The following expressions shall have the following meanings

"**Agency Agreement**" means, in relation to the Original Bonds, the Paying, Transfer, Conversion and Exchange Agency Agreement dated 10 July 2003, as altered from time to time, between the Issuer, the Guarantor, the Trustee, the Principal Paying, Transfer, Conversion and Exchange Agent, the Registrar and the other Paying, Transfer, Conversion and Exchange Agents named therein whereby the Initial Paying, Transfer, Conve sion and Exchange Agents and the Registrar were appointed in relation to the Original Bonds together with any agreement for the time being in force amending or modifying with the approval of the Trustee any of the aforesaid agreements,

"**Agents**" means, in relation to the Original Bonds, the several institutions appointed as Paying, Transfer, Conversion and Exchange Agents and the Registrar pursuant to the Agency Agreement at their respective specified offices (including the Principal Paying, Transfer, Conversion and Exchange Agent) referred to in the Conditions or their Successors at their specified offices,

"**Articles of the Issuer**" means the Articles of Association of the Issuer as the same may be varied from time to time subject to Condition 13(c) and any reference in this Trust Deed to a numbered Article shall be construed accordingly,

"Auditors" means the independent auditors for the time being of the Guarantor or, if there shall be joint auditors, any one or more of such auditors, or in the event of them being unable or unwilling to carry out any action required of them pursuant to the Articles of the Issuer or this Trust Deed, such other accountants or firm of accountants as may be selected by the Guarantor and approved in writing by the Trustee or, in default of such selection and approval, selected by the Trustee in good faith for the purpose,

"Authorised Signatory" means any person who (i) is a director of the Issuer or (ii) has been notified by the Issuer in writing to the Trustee as being duly authorised to sign documents and to do other acts and things on behalf of the Issuer for the purposes of this Trust Deed,

"Bondholder" and (in relation to a Bond) **"holder"** means a person in whose name a Bond is registered in the register of Bondholders,

"Bonds" means the Original Bonds and/or as the context may require any Further Bonds except that in Schedules 1 and 2, **"Bonds"** means the Original Bonds,

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme,

"Conditions" means, in relation to the Original Bonds, the terms and conditions set out in Schedule 2 and, with respect to any Further Bonds the terms and conditions set out in a Schedule to the supplemental trust deed constituting such Further Bonds as any of the same may from time to time be modified in accordance with the provisions thereof and/or of this Trust Deed, and references in this Trust Deed to a particular numbered Condition shall, in relation to the Original Bonds, be construed accordingly and shall, in relation to any Further Bonds, be construed as a reference to the provision (if any) in the Conditions thereof which corresponds to the particular Condition of the Original Bonds,

"Conversion Date" has the meaning specified in Condition 8(b),

"Deed Poll" means the deed poll of even date herewith executed in favour of the holders of the Preference Shares by the Guarantor, as from time to time amended in accordance with the provisions thereof,

"Euroclear" means Euroclear Bank S A/N V , as operator of the Euroclear system

"Event of Default" means any of the conditions, events or acts provided in Condition 11 (or in respect of any Further Bonds, the relevant Condition) to be events upon the happening of which the Bonds would, subject only to notice by the Trustee as therein provided become immediately due and repayable;

"Extraordinary Resolution" has the meaning set out in paragraph 21 of Schedule 4,

"Further Bonds" means any further bonds, notes or debentures issued in accordance with the provisions of Clause 7 and constituted by a deed supplemental to this Trust Deed,

"Global Bond" means the Original Global Bonds and any global bonds or notes in respect of any Further Bonds,

"Guarantee" means the guarantee and indemnity of the Guarantor set out in Clause 3,

"Interest Payment Date" has the meaning provided in Condition 23,

"Investment Company Act" means the U S Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder,

"London business day" has the meaning provided in Condition 23,

"London Stock Exchange" means the London Stock Exchange plc,

"Market Disruption Event" has the meaning specified in Condition 23,

"Nominal Shares" has the meaning provided in the Articles of the Issuer,

"Ordinary Shares" means ordinary shares in the capital of the Guarantor having as at the date hereof a nominal value of 50 pence each (and all other (if any) shares or stock resulting from any sub-division, consolidation, re-classification or redenomination of such shares) of the type for which the Preference Shares are exchangeable in accordance with the Conditions and the Articles of the Issuer,

"ordinary share capital" has the meaning ascribed to it in Section 832 of the Income and Corporation Taxes Act 1988,

"Original Bondholders" means the holders for the time being of Original Bonds,

"Original Bonds" means the 4 00 per cent Step Up Perpetual Subordinated Guaranteed Convertible Bonds constituted by this Trust Deed and for the time being outstanding (being on the date hereof U S $700,000,000 in principal amount) or, as the context may require, a specific number of them and any replacement Bonds issued pursuant to Condition 16 and (except for the purposes of Clauses 4 1 and 4 2) the Original Global Bonds,

"Original Global Bonds" means the Regulation S Global Bond or the Rule 144A Global Bond initially representing the Original Bonds, in the form or substantially in the form set out in Schedule 2 and **"Original Global Bond"** shall be construed accordingly,

"outstanding" means, in relation to the Bonds, all the Bonds issued other than (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which Conversion Rights have been exercised and the Issuer's obligation to issue Preference Shares and pay any accrued but unpaid interest in relation to such Bonds have been duly performed and which have been cancelled in accordance with the Conditions, (c) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition 5 after such date) have been duly paid to the relevant Bondholder or on its behalf or to the Trustee or to the Principal Paying, Transfer, Conversion and Exchange Agent as provided in Clause 2 and remain available for payment against presentation and surrender of Bonds, (d) those which have become void or those in respect of which claims have become prescribed under Condition 14, (e) those mutilated or defaced Bonds which have been surrendered in exchange for replacement Bonds pursuant to Condition 16, (f) (for the purposes only of determining how many Bonds are outstanding and without prejudice to their status for any other purpose) those Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Bonds have been issued pursuant to Condition 16, (g) those which have been purchased and cancelled as provided in Condition 9, (h) the Regulation S Global Bond to the extent that interests in it have been exchanged for interests in the Rule 144A Global Bond and vice versa, (i) the relevant Global Bond to the extent that it shall have been exchanged for interests in another Global Bond and any other Global Bond to the extent that it shall have been exchanged for definitive registered Bonds pursuant to its provisions, provided that for the purposes of (i) ascertaining the right to attend and vote at any meeting of the Bondholders, (ii) the determination of how many Bonds are outstanding for the purposes of Condition 11 Condition 13, Condition 15 and Condition 20 and

Schedule 4 and (iii) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Bondholders, those Bonds (if any) which are beneficially held by, or are held on behalf of, the Issuer or the Guarantor or any Subsidiary of the Issuer or the Guarantor or any holding company of the Issuer or the Guarantor (within the meaning of Section 736 of the Companies Act 1985) and not yet cancelled shall be deemed not to remain outstanding,

"Paid-up Value" means, in respect of the Preference Shares, a paid up value of U S $1,000 each,

"Payment Date" has the meaning specified in Condition 23,

"Potential Event of Default" means an event or circumstance which would with the giving of notice and/or the expiry of any grace period and/or the issuing of a certificate and/or the fulfilment of any other requirement provided for in Condition 11 become an Event of Default,

"Preference Shares" means the 4 00 per cent exchangeable redeemable preference shares of the Issuer of the type into which the Bonds are convertible,

"Principal Paying, Transfer, Conversion and Exchange Agent" means, in relation to the Original Bonds, Citibank, N A at its specified office, in its capacity as Principal Paying, Transfer, Conversion and Exchange Agent (in respect of the Original Bonds) and, in relation to any Further Bonds, the Principal Paying, Transfer, Conversion and Exchange Agent appointed in respect of such Further Bonds and in each case any Successor Principal Paying, Transfer, Conversion and Exchange Agent,

"Registrar" means, in relation to the Original Bonds, Citibank AG, Frankfurt at its specified office appointed as Registrar under the Agency Agreement and, in relation to any Further Bonds which are or may be in registered form, such institution as shall be appointed Registrar for such Further Bonds and in each case any successor,

"Regulation S Global Bond" means the Global Bond representing Bonds sold outside the United States in reliance on Regulation S under the Securities Act and in, or substantially in, the form set out in Schedule 3,

"Rule 144A Global Bond" means the Global Bond representing the Bonds resold pursuant to Rule 144A under the Securities Act and in, or substantially in, the form set out in Schedule 3,

"Securities Act" means the U S Securities Act of 1933, as amended,

"Share Exchange Call" has the meaning specified in the Articles of the Issuer,

"Shareholders" means the holders of Ordinary Shares,

"specified office" means, in relation to any Agent, either the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to the Bondholders pursuant to Condition 18,

"Subsidiary" means a subsidiary undertaking within the meaning of Section 258 of the Companies Act 1985,

"Successor" means, in relation to the Agents, such other or further person as may from time to time be appointed by the Issuer and/or the Guarantor as an Agent with the written

approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Bondholders pursuant to Condition 18,

"this Trust Deed" means this Trust Deed, the Schedules (as from time to time altered in accordance with this Trust Deed) and any other document executed in accordance with this Trust Deed (as from time to time so altered) and expressed to be supplemental to this Trust Deed,

"Transfer Restriction Legend" means the transfer restriction legend set out in Schedules 1 and 3, which, unless otherwise agreed by the Issuer and the Guarantor, shall appear on any individual definitive registered Bond issued in respect of (a) any interest in any Rule 144A Global Bond, (b) any Bonds which have been offered and resold in the United States in reliance on Rule 144A under the Securities Act or (c) prior to the expiration of the applicable distribution compliance period under Regulation S under the Securities Act, any interest in any Regulation S Global Bond, and

"trust corporation" means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees

1.2 **Construction of Certain References**: References to

1.2.1 costs, charges, remuneration or expenses shall include any amount in respect of value added tax, turnover tax or similar tax charged in respect thereof,

1.2.2 **"pounds"**, **"pounds sterling"**, **"sterling"**, **"£"** shall be construed as references to the lawful currency for the time being of the United Kingdom,

1.2.3 **"U.S. dollars"** and **"U.S $"** are references to the lawful currency for the time being of the United States of America,

1.2.4 any action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than England and Wales, references to such action, remedy or method of judicial proceedings for the enforcement of rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate thereto and in particular references in this Trust Deed and in the Conditions to the "winding up of the Issuer" shall without limitation include the declaration of the assets of the Issuer *en desastre* (an insolvency procedure under the laws of Jersey) and any other similar, analogous or corresponding event under the insolvency laws of any applicable jurisdiction,

1.2.5 words denoting the singular number only shall include the plural number also and *vice versa*,

1.2.6 words denoting one gender only shall include the other gender,

1.2.7 words denoting persons only shall include firms and corporations and vice versa,

1.2.8 any reference to **"interest"** shall, where appropriate, include Deferred Payments,

1.2.9 any provision of any statute (other than as used in the definition of **"Subsidiary"**) shall be deemed also to refer to any statutory modification or re enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment, and

1.2.10 any reference to an **"investment bank"** may include UBS Limited

1.3 **Conditions:** Words and expressions defined in the Conditions and not defined in the main body of this Trust Deed shall when used in this Trust Deed have the same meanings as are given to them in the Conditions

1 4 **Headings.** Headings shall be ignored in construing this Trust Deed

1.5 **Schedules:** The Schedules are part of this Trust Deed and shall have effect accordingly

1 6 **Enforceability:** If at any time any provision of this Trust Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Trust Deed nor the legality, invalidity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby

2 Amount of the Original Bonds and Covenant to Pay

2.1 **Amount of the Original Bonds** The aggregate principal amount of the Original Bonds is limited to an amount not exceeding U S $700,000,000

2 2 **Covenants of the Issuer**

2 2 1 **Covenant to Pay:** The Issuer will on any date when the Original Bonds or any of them become due to be redeemed in accordance with this Trust Deed or the Conditions unconditionally pay to or to the order of the Trustee in U S dollars in New York City in same calendar day funds the principal amount of the Original Bonds becoming due for redemption on that date, any Cash Settlement Amount payable on that date and will in each case (subject to the Conditions) until such payment (both before and after judgment) unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid interest on the aggregate principal amount of the Original Bonds outstanding as set out in Condition 5 provided that (1) every payment of any sum due in respect of the Bonds made to or to the account of the Principal Paying, Transfer, Conversion and Exchange Agent as provided in the Agency Agreement shall, to such extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Original Bondholders and (2) in the event that (following, if so required, due presentation of an Original Bond) upon redemption, payment of any sums due is improperly withheld or refused such Original Bond will continue to bear interest as aforesaid until the calendar day after the Original Bondholders have been or are deemed to have been notified of receipt by the Trustee or the Principal Paying, Transfer, Conversion and Exchange Agent of all sums due in respect of the Original Bonds up to that day (except to the extent that there is a failure in the subsequent payment to the relevant holders under the Conditions) The Trustee will hold the benefit of this covenant on trust for the Original Bondholders

2 2 2 **Covenant to deliver Redemption Settlement Shares:** The Issuer will on any date when delivery of the Redemption Settlement Shares is required in accordance with this Trust Deed and/or Condition 9(g) unconditionally deliver such Redemption Settlement Shares to or to the order of the Trustee and will (subject to the Conditions) until such delivery (both before and after judgment) unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid interest on the aggregate principal amount of the Original Bonds outstanding as set out in Condition 5 provided that (1) every delivery of Redemption Settlement Shares in respect of the Original Bonds to the relevant Original Bondholders as provided in

the Agency Agreement shall, to such extent, satisfy such obligation and (2) in the event that delivery of the Redemption Settlement Shares upon redemption is improperly withheld or refused such Original Bond will continue to bear interest as aforesaid until the calendar day after the Original Bondholders have duly received the relevant Redemption Settlement Shares and have been or are deemed to have been notified of receipt by the Trustee or the Principal Paying, Transfer, Conversion and Exchange Agent of all sums due in respect of the Bonds up to that day (except to the extent that there is a failure in the subsequent payment to the relevant holders under the Conditions) The Trustee will hold the benefit of this covenant on trust for the Original Bondholders

2.3 **Discharge:** Subject to Clause 2 4, any payment or delivery of Redemption Settlement Shares to be made in respect of the Bonds by the Issuer, the Guarantor or the Trustee may be made as provided in the Conditions and any payment or delivery of Redemption Settlement Shares so made will (subject to Clause 2 4) to such extent be a good discharge to the Issuer, the Guarantor or the Trustee, as the case may be

2 4 **Payment after Default and Trustee's Conversion:**

2 4 1 At any time after a Potential Event of Default or an Event of Default has occurred and whilst the same is subsisting, the Trustee may

(i) by notice in writing to the Issuer, the Guarantor and the Agents, require the Agents, until notified by the Trustee to the contrary, so far as permitted by any applicable law

(a) to act thereafter as Agents of the Trustee in relation to payments to be made by or on behalf of the Trustee or delivery of Redemption Settlement Shares, as the case may be under this Trust Deed and the Bonds on the terms of the Agency Agreement (with such consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and all other out of pocket expenses of the Agents will be limited to the amounts for the time being held by the Trustee in respect of the Bonds on the terms of this Trust Deed) and thereafter to hold all Bonds and all moneys, documents and records held by them in respect of Bonds to the order of the Trustee, or

(b) to deliver all Bonds, Redemption Settlement Shares, all moneys, documents and records held by them in respect of the Bonds and, if the Trustee so directs in such notice or subsequently so directs, any Preference Shares held by them, to the Trustee or as the Trustee directs in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation, and

(ii) by notice in writing to the Issuer or, where applicable, the Guarantor require it to make all subsequent payments or delivery of Redemption Settlement Shares in respect of the Bonds to or to the order of the Trustee and not to the Principal Paying, Transfer, Conversion and Exchange Agent With effect from the issue of any such notice to the Issuer or, where applicable, the Guarantor and until such time as the notice is withdrawn proviso (1) to Clause 2 2 1 shall not apply

2 4 2 Forthwith after the Trustee elects pursuant to Clause 11 and Condition 8(c) to convert Unexercised Bonds (as defined in Clause 11 1 1) and to sell the Ordinary Shares delivered to it on such conversion or forthwith after the delivery of Redemption Settlement Shares in accordance with Condition 9(g), the Trustee may by notice in writing to the Issuer, the Guarantor and the Agents, require the Agents in relation to such conversion and/or sale

(i) to act thereafter as Agents of the Trustee in relation to payments or delivery of Redemption Settlement Shares to be made by or on behalf of the Trustee in respect of such Unexercised Bonds or, as the case may be, the Bonds to which such Redemption Settlement Shares relate (the **"Redemption Bonds"**) under the provisions of the Trust Deed and the Bonds *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Trustee's liability under any provision thereo for the indemnification, remuneration and all other out of pocket expenses of any of the Agents shall be limited to the amounts for the time being held by the Trustee in respect of the relevant Unexercised Bonds or, as the case may be, Redemption Bonds on the terms of this Trust Deed) and thereafter to hold all such Unexercised Bonds or, as the case may be, Redemption Bonds and all moneys, documents and records held by them in respect of such Unexercised Bonds or, as the case may be, Redemption Bonds on behalf of the Trustee and in relation to the Agents, to the extent not already so done, to deduct from the net proceeds of sale under Condition 9(g)(iii)(7) any taxes and capital, stamp, issue and registration duties arising on conversion (other than such taxes or duties payable in London by the Guarantor in respect of the issue and/or delivery of Ordinary Shares on conversion) and any costs incurred by the Trustee in connection with the issue and/or delivery of Ordinary Shares, or

(ii) to deliver up all such Unexercised Bonds or, as the case may be, Redemption Bonds and all moneys, documents and records held by them in respect of such Unexercised Bonds or, as the case may be, Redemption Bonds to the Trustee or as the Trustee directs in such notice or subsequently provided that such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation

2 5 **Rate of Interest after a Default** If at any time after the First Reset Date the Bonds become immediately payable under the Conditions the rate of interest payable in respect of them will continue to be calculated by the Registrar in accordance with the Conditions (with consequential amendments as necessary) except that the rates of interest need not be published unless the Trustee otherwise requires The first period in respect of which interest shall be so calculable will commence on the expiry of the Interest Period (as defined in the Conditions) during which the Bonds become so repayable

2 6 **Deferred Coupon Satisfaction Mechanism** Where the Issuer is to satisfy any Deferred Payment (the **"Due Amount"**) on a particular date (the **"Deferred Payment Date"**) in accordance with Condition 7, it shall so notify, *inter alios*, the Guarantor and the Trustee Thereupon, subject to Conditions 7(b), 7(d) and 7(e)

2 6 1 on or prior to the eleventh London business day prior to the Deferred Payment Date the Guarantor shall determine the number of Preference Shares (the

"**Payment Preference Shares**") that have an aggregate market value after being converted into Payment Ordinary Shares, when converted into dollars at the prevailing market exchange rates determined by the Calculation Agent, of not less than an amount equal to the relevant Deferred Payment,

2.6.2 on or prior to the eleventh London business day prior to the Deferred Payment Date the Guarantor shall determine the number of Preference Shares (the "**Associated Cost Preference Shares**") that have an aggregate market value of not less than the Associated Costs (as defined in Clause 3.3(c) of the Calculation Agency Agreement), as notified by the Calculation Agent to the Guarantor pursuant to the terms of the Calculation Agency Agreement,

2.6.3 on or prior to the seventh London business day preceding the Deferred Payment Date, the Issuer shall duly authorise the issue of the relevant number of Payment Preference Shares and the Associated Cost Preference Shares and, on such date, shall validly issue, free from lien or any other encumbrance, such Payment Preference Shares and the Associated Cost Preference Shares to the Trustee (or, if so agreed between the Issuer and the Trustee, to an agent for the Trustee) and such issue of the Payment Preference Shares shall, subject to Clause 2.6.7, discharge the Issuer from its liability to make the relevant Deferred Payment,

2.6.4 on or prior to the eleventh London business day prior to the Deferred Payment Date the Calculation Agent shall determine the number of Ordinary Shares (the "**Associated Cost Ordinary Shares**") that have an aggregate market value of not less than the Associated Costs and shall notify the Trustee, the Issuer and the Guarantor accordingly,

2.6.5 on or prior to the seventh London business day preceding the Deferred Payment Date, the Guarantor shall duly authorise the issue of the relevant number of Payment Ordinary Shares (in accordance with and subject to Condition 7(b)(ii)) and the Associated Cost Ordinary Shares and, on such date, the Guarantor shall validly issue, free from lien or any other encumbrance (i) the Payment Ordinary Shares in consideration for the delivery by the Trustee or its agent to the Guarantor of the Payment Preference Shares and (ii) the Associated Cost Ordinary Shares in consideration for the delivery by the Trustee or its agent to the Guarantor of the Associated Cost Preference Shares, in each case to the Trustee (or, if so agreed between the Issuer and the Trustee, to its agent),

2.6.6 the Trustee will use reasonable endeavours to give the necessary instruction to the Calculation Agent (subject to any necessary consents being obtained) as soon as practicable and in any case not later than by close of business on the sixth London business day preceding the Deferred Payment Date to procure purchasers for such Payment Ordinary Shares on its behalf, and the Calculation Agent has agreed to use reasonable endeavours on behalf of the Trustee to procure purchasers for such Payment Ordinary Shares prior to the Deferred Payment Date,

2.6.7 following the sale of the Payment Ordinary Shares (and the exchange of their proceeds into dollars in accordance with Condition 7(b)(iii)) and the Associated Cost Ordinary Shares, the Trustee shall (i) apply the proceeds of sale of the Associated Cost Ordinary Shares in or towards satisfaction of the Associated Costs and (ii) procure the payment of the proceeds of sale of the Payment Ordinary

Shares to the Principal Paying, Transfer, Conversion and Exchange Agent in accordance with Condition 7(c) in respect of the relevant Payment,

2.6.8 if the proceeds of the sale of the Payment Ordinary Shares and the Associated Cost Ordinary Shares will not, in the opinion of the Calculation Agent or, in the case of the Associated Cost Ordinary Shares, the Trustee (as notified to the Calculation Agent) despite the arrangements contained in Condition 7(b)(i) to (iii) and Clauses 2.6.1 to 2.6.6, result in each case in a sum at least equal to respectively the relevant Payment and Associated Costs being available to make respectively the Payment and pay the Associated Costs in full on the Deferred Payment Date, the Calculation Agent pursuant to its obligations under the Calculation Agency Agreement shall promptly notify each of the parties hereto, and the Calculation Agent and the Issuer and the Guarantor shall then take such steps as are reasonably necessary to ensure, so far as practicable, that through issuing and selling additional Preference Shares and Ordinary Shares in each case a sum at least equal to respectively the relevant Payment and the Associated Costs will be available to make the Payment and pay the Associated Costs in full on the Deferred Payment Date, provided that for such purpose Clauses 2.6.1 to 2.6.6 shall be modified as follows

(i) references therein to **"Payment"** shall be deemed to be references to the amount by which the aggregate sum then paid to the Principal Paying, Transfer, Conversion and Exchange Agent in respect of Deferred Payments pursuant to the provisions of this Clause 2.6 is less than the Deferred Payment Amount (the **"Payment Shortfall"**),

(ii) references to **"Associated Costs"** shall be deemed to be references to the aggregate of (a) the amount by which the sum received by or on behalf of the Trustee in respect of Associated Costs is less than the Associated Costs and (b) the Associated Costs determined under Clause 3.3(c)(iii) of the Calculation Agency Agreement but by reference to the numbers of additional Preference Shares and Ordinary Shares determined to be required to be issued in order to satisfy the Shortfall (such aggregate being the **"Costs Shortfall"**), and

(iii) all matters required to be done by a stated time shall be done as soon as practicable,

and further provided for the avoidance of doubt that the parties' obligations under this Clause 2.6.7 shall only apply to the extent that it is practicable to raise dollar funds by the Deferred Payment Date by following the procedures contained in Clauses 2.6.1 to 2.6.6, as amended For the purposes of this Clause 2.6, **"Shortfall"** shall mean the aggregate of the Payment Shortfall and the Costs Shortfall

2.6.9 if the aggregate U.S. dollar amounts paid to the Principal Paying, Transfer, Conversion and Exchange Agent under this Clause 2.6 are less than the Deferred Payment Amount, the Trustee shall, promptly following it (or its agent) receiving dollar amounts in respect of the Shortfall in respect of such payment pursuant to Clause 2.7, pay such amounts to the Principal Paying, Transfer, Conversion and Exchange Agent for payment by the Principal Paying, Transfer, Conversion and Exchange Agent to Bondholders and until the Trustee (or its agent) receives such

amounts, the Trustee shall not be obliged to pay any such amounts and no Bondholder shall be entitled to take any action against the Trustee to obtain such payment

2 6 10 The Trustee may only appoint an agent in connection with this Clause 2 6 and Condition 7 if so agreed by the Issuer and the Guarantor

2 6 11 The Trustee and any agent of the Trustee shall not accept or hold any of the Payment Preference Shares, Payment Ordinary Shares, Associated Cost Preference Shares or Associated Cost Ordinary Shares issued in connection with the Deferred Coupon Satisfaction Mechanism within the United Kingdom save as previously agreed with the Issuer

2 6 12 No liability shall attach to the Trustee or its agents if, as a result of a Market Disruption Event, as defined in the Conditions, or any other event outside the control of the Trustee or its agent, the Trustee or its agent is unable to comply with the provisions of Condition 7(b) and this Clause 2 6

2.7 Shortfall at Deferred Payment Date

2.7.1 If, despite the operation of Clause 2 6, there is a Shortfall as at the Deferred Payment Date, the Issuer will, upon being notified of such Shortfall, either

(i) pay to the Trustee as soon as practicable (a) an amount equal to the Payment Shortfall and (b) an amount equal to the Costs Shortfall, or

(ii) if the Issuer in its discretion so determines, elect by notice to the Guarantor, the Trustee, the Registrar and the Calculation Agent to satisfy, as appropriate, the Payment Shortfall and the Costs Shortfall through the issue of Payment Preference Shares, subject to Condition 7(d) and 7(e), and in accordance with the procedures contained in Clauses 2 6 1 to 2 6 6 (as modified by paragraphs (i) to (iii) of Clause 2 6 7, save that (a) references to "Payment" shall then be deemed to be references to the amount by which the aggregate sum then paid to the Registrar and/or the Trustee pursuant to the provisions of Clauses 2 6 or 2 7 is less than the Due Amount, (b) references to "Associated Costs" shall then be deemed to be references to "Associated Costs" as then determined under Clause 2 6 7 and (c) references to "Shortfall" shall be construed accordingly) one more time

2 7 2 If following the operation of Clause 2 6 above there is for any reason still a Shortfall, then the provisions of Clause 2 6 above shall be applied (as often as necessary) in respect of the Shortfall until the Calculation Agent and the Trustee shall have received funds equal to the full amount of the Shortfall

2.8 Excess Funds: If, following the operation of Clause 2 6 and, if applicable, Clause 2 7 in order to satisfy a Due Amount and its related Associated Costs, the Trustee (or any other Agent on behalf of the Trustee) holds funds in excess of such Deferred Payment Amount and such Associated Costs, it will (or procure that the Agent which holds such excess funds will) forthwith notify the Issuer that it (or such Agent) holds such excess funds and shall within five London business days of such notification transfer such excess funds to or to the order of the Issuer

3 Guarantee, Indemnity and Subordination of Bond Guarantee

3.1 **Guarantee:** The Guarantor unconditionally and irrevocably guarantees that if the Issuer does not pay any sum payable by it or deliver any Ordinary Shares due from it under this Trust Deed or the Bonds by the time and on the date specified for such payment or delivery (whether on the normal due date, on acceleration or otherwise) the Guarantor will pay that sum or procure the delivery of such Ordinary Shares to or to the order of the Trustee, in the manner provided in Clause 2 2 (or if in respect of sums due under Clause 14, in London in pounds sterling in immediately available funds) before close of business on that date in the city to which payment is so to be made Clause 2 2 will apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 14

3.2 **Guarantor as Principal Debtor:** As between the Guarantor and the Trustee and the Bondholders but without affecting the Issuer's obligations, the Guarantor will be liable under this Clause as if it were the sole principal debtor and not merely a surety Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of this Trust Deed or to the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of this Trust Deed or the Bonds or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (7) the illegality, invalidity or unenforceability of or any defect in any provision of this Trust Deed or the Bonds or any of the Issuer's obligations under any of them)

3 3 **Guarantor's Obligations Continuing** The Guarantor's obligations under this Trust Deed are and will remain in full force and effect by way of continuing security until no sum remains payable under this Trust Deed or the Bonds Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity The Guarantor irrevocably waives all notices and demands of any kind

3.4 **Exercise of Guarantor's Rights:** So long as any sum remains payable under this Trust Deed or the Bonds

3.4 1 any right of the Guarantor, by reason of the performance of any of its obligations under this Clause, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity will be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve, and

3 4 2 any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer will be held in trust for the Trustee to the extent that the Trustee is entitled to such amounts and immediately paid to the Trustee and the Trustee (if due) will hold it on the trusts set out in Clause 8 1

3 5 **Suspense Accounts** Any amount received or recovered by the Trustee (otherwise than as a result of a payment by the Issuer to the Trustee in accordance with Clause 2) in respect of any sum payable by the Issuer under this Trust Deed or the Bonds may be placed in a suspense account and kept there for so long as the Trustee thinks fit

3.6 **Avoidance of Payments.** The Guarantor shall on demand indemnify the Trustee and each Bondholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under this Trust Deed or any Bond and shall in any event pay to it on demand the amount as refunded by it

3.7 **Debts of Issuer:** If any moneys become payable by the Guarantor under this Guarantee, the Issuer will not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Guarantor

3 8 **Indemnity.** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees (1) that any sum which, although expressed to be payable by the Issuer under this Trust Deed or the Bonds, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Trustee or any Bondholder) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee and each Bondholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under this Trust Deed or the Bonds not being paid on the date and otherwise in the manner specified in this Trust Deed or any payment obligation of the Issuer under this Trust Deed or the Bonds being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee or any Bondholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum

3 9 **Subordination of the Bond Guarantee:**

3 9.1 In the event of the winding up of the Guarantor any amounts payable to and received by the Trustee in respect of the Bond Guarantee pursuant to the provisions of these presents after the commencement of winding up proceedings will be received by it on trust to apply the same

(i) first in payment or satisfaction of the costs, charges, expenses and liabilities incurred by the Trustee (including any unpaid remuneration),

(ii) second in payment of claims of the Senior Creditors of the Guarantor to the extent that such claims are admitted to proof in the winding up (not having been satisfied out of the other resources of the Guarantor) and excluding any sum in respect of interest which is payable contingently upon the Guarantor being or being proved to be able to pay admitted claims in full,

(iii) third (without prejudice to the provisions of Clause 8 2) in or towards payment *pan passu* and rateably of all arrears of interest remaining unpaid in respect of the Bonds and all principal moneys due in respect of the

Bonds and any interest payable pursuant to Clause 2 to the holders of the Bonds, and

(iv) as to the balance (if any) to the liquidator for the time being of the Guarantor

3.9 2 The trust secondly mentioned in Clause 3 9 1 may be performed by the Trustee's paying over to such liquidator for the time being in the winding up of the Guarantor the amounts received by the Trustee as aforesaid (less any amounts thereof applied in the implementation of the trust first mentioned in Clause 3 9 1) on terms that such liquidator receives such amounts subject to the trusts herein contained and acknowledges the same and shall distribute the same accordingly and the receipt of such liquidator for the same shall be a good discharge to the Trustee for the performance by it of the trust secondly mentioned in Clause 3 9 1

3 9 3 The Trustee shall be entitled and it is hereby authorised to call for and to accept as conclusive evidence thereof a certificate from the liquidator for the time being of the Guarantor as to

(i) the amount of the claims of the Senior Creditors referred to in Clause 3 9 1(ii) (except as therein mentioned), and

(ii) the persons entitled thereto and their respective entitlements

Notwithstanding anything contained in this Clause 3 9, the trust mentioned in Clause 3 9 1(ii) shall vest absolutely in the Senior Creditors for whose benefit such trust is to be performed not later than the date being 80 years from the date of this Trust Deed

3 9 4 Nothing contained in these presents shall in any way restrict the right of the Guarantor to issue obligations or give guarantees in each case ranking in priority to or *pari passu* with or junior to the obligations of the Guarantor in respect of the Guarantee and if in the opinion of the Trustee any modification to the provisions of this Clause to permit such ranking is necessary or expedient the Trustee is hereby authorised to concur with the Guarantor in executing a supplemental deed effecting such modification

3.10 Nothing contained in these presents shall in any way restrict the right of the Guarantor to issue or guarantee obligations ranking in priority to or *pari passu* with or junior to the obligations of the Guarantor in respect of the Bonds and if in the opinion of the Trustee any modification to the provisions of this Clause to permit such ranking is necessary or expedient the Trustee is hereby authorised to concur with the Guarantor in executing a supplemental trust deed effecting such modification

3 11 **Preference Shares:** The Guarantor's obligations in respect of the Preference Shares are set out in the Deed Poll

4 Form of the Original Bonds; Issue of the Original Bonds

4.1 **The Original Global Bonds:** On issue of the Original Bonds, the relevant Original Global Bond will be issued representing the aggregate principal amount of the Original Bonds and the Issuer (failing whom the Guarantor) shall procure that the appropriate entries be made in the register of Bondholders by the Registrar to reflect the issue of such Original Bonds The Original Global Bonds will be issued in the name of a common depositary for

Euroclear and Clearstream, Luxembourg or its nominee The issue of a Global Bond in a name other than that of the common depositary or its nominee, as the case may be, is restricted as provided in the Global Bond The Original Bonds represented by the Original Global Bonds shall be subject to their terms in all respects and entitled to the same benefits under this Trust Deed as individual Bonds

4.2 **Definitive Bonds:** Definitive Original Bonds in registered form in authorised denominations, if issued, will be delivered upon exchange of the relevant Original Global Bond as provided therein Such Original Bonds may be printed or typed and need not be security printed unless otherwise required by applicable stock exchange requirements The Bonds will not be issued in definitive bearer form

4.3 **Form:** Definitive Original Bonds and each of the Original Global Bonds will be in or substantially in the respective forms set out in Schedules 1 and 3 Definitive Original Bonds will be endorsed with the Conditions

4 4 **Signature:** Each of the Original Global Bonds will be signed manually or in facsimile by one or more Authorised Signatories of the Issuer duly authorised for the purpose or manually by any duly authorised attorney of the Issuer and in any case will be authenticated manually by or on behalf of the Registrar Definitive Original Bonds (if issued) will be signed manually or in facsimile by one or more authorised directors or duly authorised officers of the Issuer and in any case will be authenticated manually by or on behalf of the Registrar The Issuer may use the manual or facsimile signature of any person who at the date of this Trust Deed is an Authorised Signatory of the Issuer even if at the time of issue of any Original Bond (including each of the Original Global Bonds) he no longer holds such office or is so authorised Original Bonds (including each of the Original Global Bonds) so executed and authenticated will be binding and valid obligations of the Issuer

5 Stamp Duties and Taxes

Except as provided in Conditions 8(b) and 9(g)(7), the Issuer (failing whom the Guarantor) will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, payable (i) in Belgium, Luxembourg, the United Kingdom or the Island of Jersey in respect of the creation, issue and offering of the Bonds and the execution or delivery of this Trust Deed (excluding, for the avoidance of doubt, any stamp or other similar duties payable as a result of any dealing in the Bonds prior to listing of such Bonds on the Official List and admission to trading on the London Stock Exchange) and (ii) in the United Kingdom and the Island of Jersey in respect of the issue and allotment of the Preference Shares and the Ordinary Shares on conversion or on transfer of the Preference Shares to the Guarantor on exchange The Issuer (failing whom the Guarantor) will also indemnify the Trustee and the Bondholders from and against all stamp, issue, registration, documentary or other taxes paid by any of them in any jurisdiction in relation to which the liability to pay arises directly as a result of any action taken by or on behalf of the Trustee or, as the case may be, (where entitled under Condition 15(e) to do so) the Bondholders to enforce the obligations of the Issuer and the Guarantor under this Trust Deed, the Calculation Agency Agreement, the Agency Agreement, the Deed Poll or the Bonds

6 Subordination by the Issuer

6.1 In the event of the winding up of the Issuer any amounts payable to and received by the Trustee in respect of the Bonds pursuant to the provisions of these presents after the commencement of winding up proceedings will be received by it on trust to apply the same

(i) first in payment or satisfaction of the costs, charges, expenses and liabilities incurred by the Trustee (including any unpaid remuneration),

(ii) second in payment of claims of all other creditors of the Issuer (except for the claims of holders of unsecured rights against the Issuer being rights which are subordinated so as to rank either (i) *pari passu* with such Bonds with all of whom excepted claims such Bonds will rank *pari passu* or (ii) junior to such Bonds) to the extent that such claims are admitted to proof in the winding up (not having been satisfied out of the other resources of the Issuer) and excluding any sum in respect of interest which is payable contingently upon the Issuer being or being proved to be able to pay admitted claims in full,

(iii) third (without prejudice to the provisions of Clause 8 2) in or towards payment *pari passu* and rateably of all arrears of interest remaining unpaid in respect of the Bonds and all principal moneys due in respect of the Bonds, and

(iv) as to the balance (if any) to the liquidator for the time being of the Issuer

6 2 The trust secondly mentioned in Clause 6 1 may be performed by the Trustee s paying over to such liquidator for the time being in the winding up of the Issuer the amounts received by the Trustee as aforesaid (less any amounts thereof applied in the implementation of the trust first mentioned in Clause 6 1) on terms that such liquidator receives such amounts subject to the trusts herein contained and acknowledges the same and shall distribute the same accordingly and the receipt of such liquidator for the same shall be a good discharge to the Trustee for the performance by it of the trust secondly mentioned in Clause 6 1

6.3 The Trustee shall be entitled and it is hereby authorised to call for and to accept as conclusive evidence thereof a certificate from the liquidator for the time being of the Issuer as to

(i) the amount of the claims of the all other creditors referred to in Clause 6 1(i) (except as therein mentioned), and

(ii) the persons entitled thereto and their respective entitlements

Notwithstanding anything contained in Clause 6 1, the trust mentioned in Clause 6 1(ii) shall vest absolutely in the creditors for whose benefit such trust is to be performed not later than the date being 80 years from the date of this Trust Deed

6 4 Nothing contained in these presents shall in any way restrict the right of the Issuer to issue obligations or give guarantees in each case ranking in priority to or *pari passu* with or junior to the obligations of the Issuer in respect of the Bonds and if in the opinion of the Trustee any modification to the provisions of this Clause to permit such ranking is necessary or expedient the Trustee is hereby authorised to concur with the Issuer in executing a supplemental deed effecting such modification.

7 Further Issues

7.1 **Liberty to Create:** The Issuer may from time to time without the consent of the Bondholders create and issue Further Bonds, notes or debentures either having the same terms and conditions in all respects as the Original Bonds (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Original Bonds or any Further Bonds or upon such terms as to interest, subordination, conversion, premium, redemption and otherwise as the Issuer may determine at the time of their issue Any Further Bonds, notes or debentures forming a single series with the Original Bonds or any Further Bonds constituted by this Trust Deed or any deed supplemental to it shall, and any Further Bonds, notes or debentures may, with the consent of the Trustee, be constituted by a deed supplemental to this Trust Deed

7.2 **Means of Constitution.** Any Further Bonds created and issued pursuant to the provisions of Clause 7 1 above forming a single series with the Original Bonds or Further Bonds of any series shall be constituted by deed supplemental to this Trust Deed, and any other Bonds of any series created and issued pursuant to the provisions of Clause 7 1 above may, with the consent of the Trustee, be so constituted The Issuer and the Guarantor shall prior to the issue of any Further Bonds to be so constituted execute and deliver to the Trustee a deed supplemental to this Trust Deed (if applicable duly stamped or denoted) and containing a covenant by the Issuer and the Guarantor in the form *mutatis mutandis* of Clause 2 of this Trust Deed in relation to the principal amount and interest in respect of such Further Bonds and such other provisions (corresponding to any of the provisions contained in this Trust Deed) as the Trustee shall require and (where relevant) the Guarantor shall procure that such amendments (if any) are made to the Articles of the Issuer as may be appropriate and (where relevant) the Guarantor shall execute a further deed poll in the form *mutatis mutandis* of the Deed Poll

7.3 **Noting of Supplemental Deeds.** A memorandum of every such supplemental deed shall be endorsed by the Trustee on this Trust Deed and by the Issuer and the Guarantor on their respective duplicate(s) of this Trust Deed.

7.4 **Notice of Further Bonds:** Whenever it is proposed to create and issue any Further Bonds, the Issuer shall give to the Trustee not less than seven calendar days' notice in writing of its intention to do so, stating the amount of Further Bonds proposed to be created or issued

7.5 **Separate Series.** Any Further Bonds not forming a single series with the Original Bonds or Further Bonds of any series shall form a separate series and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, the provisions of Clause 7 2 and of Clauses 5 and 8 to 21 (inclusive), and Schedule 4 shall apply *mutatis mutandis* separately and independently to the Bonds of each series and in such Clauses and Schedule the expressions **"Bonds"** and **"Bondholders"** shall be construed accordingly

8 Application of Moneys received by the Trustee

8.1 **Declaration of Trust:** Subject to Clauses 3 9 and 6 all moneys received by the Trustee in respect of the Bonds or amounts payable under this Trust Deed will, regardless of any appropriation of all or part of them by the Issuer or the Guarantor, as the case may be, be held by the Trustee (subject to the provisions of Clause 8 2) upon trust to apply them

8 1 1 first, in payment of all costs, charges, expenses and liabilities properly incurred by the Trustee (including remuneration payable to the Trustee) in carrying out its functions under this Trust Deed,

8 1 2 secondly, in payment of any amounts owing in respect of the Bonds *pari passu* and rateably, and

8 1.3 thirdly, in payment of the balance (if any) to the Issuer for itself, or if any moneys were received from the Guarantor and to the extent of such moneys to the Guarantor

Without prejudice to this Clause 8 1, if the Trustee holds any moneys which represent principal or interest or other sums in respect of Bonds which have become void or in respect of which claims have become prescribed under Condition 14, the Trustee will hold such moneys upon the above trusts

8.2 **Accumulation:** If the amount of the moneys at any time available for payment in respect of the Bonds under Clause 8 1 is less than 10 per cent of the principal amount of the Bonds then outstanding, the Trustee may, at its discretion, invest such moneys The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under the control of the Trustee and available for such payment, amount to at least 10 per cent of the principal amount of the Bonds then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) will be applied as specified in Clause 8 1

8.3 **Investment.** Any moneys held by the Trustee may be invested in the name or under the control of the Trustee in any investments or other assets in any part of the world whether or not they produce income or placed on deposit in the name or under the control of the Trustee at such bank or other financial institution and in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or other financial institution is the Trustee or an associated company of the Trustee it shall not be liable to account for interest at a rate greater than that payable by it to a standard customer on deposit of the type made The Trustee may at any time vary or transpose any such investments for or into other such investments or convert any moneys so deposited into any other currency, and will not be responsible for any loss occasioned thereby, whether by depreciation in value, fluctuation in exchange rates or otherwise

9 Covenant to Comply with Provisions

Each of the Issuer and the Guarantor hereby covenants with the Trustee that it will comply with and perform and observe all the provisions of this Trust Deed and the Conditions which are binding on it The Conditions shall be binding on each of the Issuer, the Guarantor, the Trustee and the Bondholders The Trustee shall be entitled to enforce the obligations of each of the Issuer and the Guarantor under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds The provisions contained in Schedule 4 shall have effect in the same manner as if herein set forth

10 Conversion

10.1 The holder of each Original Bond will have the right (the **"Conversion Right"**) subject to and in accordance with the Articles of the Issuer, to convert each U S $1,000 principal

amount thereof into one fully paid Preference Share allotted at a price equal to the Paid up Value and to require the Issuer forthwith to procure that such Preference Share be exchanged immediately pursuant to the Articles of the Issuer, the Deed Poll and as provided in the Conditions, for Ordinary Shares, at any time (subject to any applicable fiscal or other laws or regulations and as provided in the Conditions) from (and including) 19 August 2003 to the time specified in Condition 8(a)

10 2 The Guarantor hereby undertakes and guarantees that, in the event of the Issuer failing (i) to comply with its obligations when due and/or (ii) to enforce its rights, in either case in respect of the Conversion Rights and Share Exchange Calls as set out in the Conditions and the Articles of the Issuer, it will procure that the Issuer complies with such obligations and/or enforces such rights

10.3 The Guarantor hereby undertakes to and covenants with the Trustee that, so long as any of the Original Bonds remain outstanding, it will whenever the Exchange Price falls to be adjusted pursuant to the Articles of the Issuer

10 3 1 as soon as reasonably practicable deliver to the Trustee a certificate signed by two directors of the Guarantor on behalf of the Guarantor (which the Trustee shall be entitled to accept without further enquiry as sufficient evidence of the correctness of the matters therein referred to) setting forth brief particulars of the event giving rise to the adjustment, the adjusted Exchange Price, the date on which the adjustment takes effect and such other particulars and information as the Trustee may reasonably require, and

10 3 2 upon the happening of an event as a result of which the Exchange Price will be adjusted pursuant to this Trust Deed (but subject to the Articles of the Issuer) as soon as reasonably practicable deliver to the Trustee a certificate signed by two directors of the Guarantor on behalf of the Guarantor setting forth brief particulars of the event, and the adjusted Exchange Price and the date on which such adjustment takes effect and in any case setting forth such other particulars and information as the Trustee may reasonably require, and

10 3 3 within 14 calendar days thereafter give notice to the Bondholders in accordance with Condition 18 of the adjustment to the Exchange Price

10.4 Simultaneously with the announcement of any event which will require the Exchange Price to be adjusted pursuant to the Articles of the Issuer, the Guarantor will give notice thereof to the Bondholders in accordance with Condition 18 advising them of the date on which the relevant adjustment of the Exchange Price is likely to become effective

10.5 While any Bond remains outstanding, the Issuer undertakes to the Trustee that it will procure that no alteration is made to the nominal value of the Preference Shares (whether by consolidation, sub division or otherwise)

11 Conversion on Redemption

11 1 Conversion by Trustee

11 1 1 The Trustee may (other than in circumstances where the Issuer has elected to exercises the Share Settlement Option in accordance with Condition 9), at its absolute discretion (and without any responsibility for any loss occasioned thereby), within the period commencing on the date six calendar days immediately prior to, and ending at the close of business on the London business day

immediately prior to, the date fixed for redemption from time to time of any of the Bonds (including any redemption pursuant to Condition 9(b)), elect by notice in writing to the Issuer to convert the aggregate principal amount of Bonds due for redemption on such date and in respect of which Conversion Rights have not been exercised and which have not been duly presented for redemption by the holder thereof before the date of such election (**"Unexercised Bonds"**) into Preference Shares and to require that the Issuer procures that such Preference Shares shall be exchanged immediately, in accordance with the Articles of the Issuer, for Ordinary Shares at the Exchange Price on the Conversion Date if all necessary consents (if any) have been obtained and the Trustee is satisfied or is advised by an independent investment bank of international repute appointed by the Trustee that the net proceeds of an immediate sale of the Ordinary Shares arising on the exchange of such Preference Shares at the Exchange Price on the applicable Conversion Date (disregarding any liability (other than a liability of the Trustee) to taxation or the payment of any capital, stamp, issue or registration duties consequent thereon) would be likely to exceed by five per cent or more the aggregate amount of redemption moneys and interest which would otherwise be payable in respect of such Unexercised Bonds Save as provided in Condition 8(d), no interest shall accrue from the Interest Payment Date immediately preceding the Conversion Date (or if such date falls before the first Interest Payment Date since the date hereof) in respect of such Unexercised Bonds in respect of which the Trustee's election as aforesaid shall have been made

11 1 2 **Allotment of Ordinary Shares to Trustee.** The Guarantor undertakes that it will allot within five London business days of the relevant Conversion Date to or to the order of the Trustee on behalf of the holders of the Unexercised Bonds so converted as of the relevant Conversion Date the Ordinary Shares required to be allotted pursuant to Clause 11 1 and to deliver within fifteen business days of such allotment to the Trustee or to its order certificates (if the Ordinary Shares are in certificated form) representing the same

11.1 3 **Sale of Ordinary Shares by Trustee** Subject to applicable law, the Trustee shall, on behalf of the holders, arrange for the sale of the Ordinary Shares issued on such conversion of the Unexercised Bonds as soon as practicable, and (subject to any necessary consents being obtained and to the deduction by the Trustee of any amount which it determines to be payable in respect of its liability to taxation and the payment of any capital, stamp, issue or registration duties (if any) and any costs incurred by the Trustee in connection with the allotment and sale thereof) the net proceeds of sale together with accrued interest (if any) payable under Condition 8(d) in respect of such Unexercised Bonds shall if not in U S dollars be converted into U S dollars in such manner and at such time and at such rates as the Trustee shall consider appropriate and shall be held by the Trustee and distributed rateably to the holders of the Unexercised Bonds in accordance with Condition 10 If the date fixed for redemption in respect of such Unexercised Bonds falls during a period commencing on an Interest Payment Date and ending on the date falling seven calendar days after such Interest Payment Date (both dates inclusive) a sum equal to the interest payable on that Interest Payment Date in respect of such Unexercised Bonds and which has been paid to the holders thereof will be deducted from the net proceeds of sale payable to the relevant holder and shall be paid to the Issuer The amount of such net proceeds of sale payable to a holder of

Unexercised Bonds pursuant to this provision shall be treated for all purposes as the full amount due by the Issuer in respect of the Unexercised Bonds

11.2 Issuer Share Settlement Option

Where the Issuer elects to redeem Bonds by exercising its Share Settlement Option in the circumstances described in Condition 9(b)(i), the Issuer shall give a Share Settlement Option Notice to the Bondholders in accordance with Condition 18 not less than thirty nor more than ninety days prior to the Redemption Date

11 2 1 **Non-delivery.** If the Share Settlement Notice and/or relevant Bonds are not delivered to a Paying, Transfer, Conversion and Exchange Agent on or before the Notice Cut off Date, the relevant Redemption Settlement Shares will be delivered to the Trustee or as the Trustee may direct on such due date and the Cash Settlement Amount shall be due and payable in accordance with Condition 10

11 2 2 **Sale of Redemption Settlement Shares by Trustee**· Subject to applicable law, the Trustee shall, on behalf of the holders, arrange for the sale of the Redemption Settlement Shares as soon as practicable, and (subject to any necessary consents being obtained and to the deduction by the Trustee of any amount which it determines to be payable in respect of its liability to taxation and the payment of any capital, stamp, issue or registration duties (if any) and any costs incurred by the Trustee in connection with the allotment and sale thereof) the net proceeds of sale shall if not in U S dollars be converted into U S dollars in such manner and at such time and at such rates as the Trustee shall consider appropriate and shall be held by the Trustee and distributed rateably to the holders of the Bonds in accordance with Condition 10

11 2 3 **Liability of Trustee** The Trustee shall have no liability in respect of the exercise or non exercise of its discretion pursuant to this provision or the timing of such exercise or, where relevant, in respect of any sale of Ordinary Shares or conversion of any amounts into U S dollars, whether for the timing of any such sale or conversion or the price at which any such Ordinary Shares are sold or the rate at which any such amounts are converted into U S dollars, or the inability to sell any such Ordinary Shares or make such conversion or otherwise

11.3 Stamp duties and taxes

If the Trustee exercises its Conversion Right under Condition 8(c), the Trustee must pay, by means of deduction from the net proceeds of sale referred to in Condition 8(c), any taxes and capital, stamp, issue and registration duties arising on the relevant conversion (other than any taxes or capital duties or stamp duties payable in Jersey or the United Kingdom by the Issuer or the Guarantor in respect of the allotment and issue of Ordinary Shares on conversion) and the Trustee must pay (in the case of the Trustee, by way of deduction from the net proceeds of sale as aforesaid) all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond or Preference Share in connection with such conversion

12 Covenants relating to Conversion and other matters

12.1 Deed Poll: Whilst any Bond remains outstanding, the Guarantor will, save with the approval of an Extraordinary Resolution or the prior written approval of the Trustee where, in the Trustee's opinion, it is not materially prejudicial to the interests of the Bondholders to

give such approval or, in the case of an amendment to the Deed Poll, unless the modification is confirmed by the Trustee as provided in Condition 13, perform all of its obligations under, and not make any amendment to, the Deed Poll

12.2 **Undertakings of the Guarantor.** The Guarantor hereby undertakes to and covenants with the Trustee that so long as any Conversion Right remains exercisable or any Share Exchange Call remains to be satisfied, it will, save with the approval of an Extraordinary Resolution or with the approval of the Trustee where, in the Trustee's opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval, comply with Condition 13(b)

12.3 **Undertakings of the Issuer and the Guarantor.** Whilst any Bond remains outstanding, the Issuer will, and the Guarantor will procure that the Issuer will, comply with Condition 13(c)

13 Covenants

So long as any of the Bonds remains outstanding, each of the Issuer and the Guarantor covenants that it shall

13 1 **Proper conduct:** at all times carry on and conduct its affairs in a proper manner,

13.2 **Information**

(a) so far as permitted by applicable law, give to the Trustee such information as it shall require and in such form as it shall require (including without limitation the procurement by the Guarantor of all such certificates called for by the Trustee pursuant to Clause 10 3) for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law,

(b) for so long as any of the Bonds, the Bond Guarantee, Preference Shares or Ordinary Shares, are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the U S Securities Exchange Act of 1934, as amended, (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3 2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, or to the Trustee, in the case of the Bonds, for delivery to such holder, beneficial owner or prospective purchaser, in each case, upon request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act,

13.3 **Books of Account:** at all times keep and procure its Principal Subsidiaries to keep proper books of account and, at any time after the occurrence of an Event of Default or a Potential Event of Default or if the Trustee certifies in writing to the Issuer and/or the Guarantor that it has reasonable grounds to believe that an Event of Default or a Potential Event of Default has or may have occurred and so far as permitted by applicable law allow and procure its Principal Subsidiaries to allow the Trustee and any person appointed by the Trustee to whom the Issuer and/or the Guarantor or the relevant Principal Subsidiary (as the case may be) shall have no reasonable objection, upon reasonable notice, free access to such books of account at all reasonable times during normal business hours for the

purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law,

13.4 **Accounts:** prepare and cause to be audited by the Auditors in respect of each financial accounting period accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the UK Listing Authority,

13.5 **Financial Statements etc.** send to the Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the Guarantor) four copies in English of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders together with any of the foregoing, and every document issued or sent to its creditors (or any class thereof) generally concerning the financial condition of the Guarantor and its Subsidiaries, in each case in their capacities as such, as soon as practicable after the issue or publication thereof,

13.6 **Notice of Events of Default:** give notice in writing to the Trustee of the occurrence of any Event of Default or any Potential Event of Default or breach of any undertaking under Condition 13 immediately upon becoming aware of the same,

13.7 **Certificate of Directors or Authorised Signatories.**

(a) send to the Trustee (a) within 14 calendar days after demand by the Trustee therefore and (b) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial period commencing with the financial period ending 31 March 2004 and in any event not later than 180 days after the end of each such financial period a certificate of the Guarantor or, as the case may be, the Issuer signed by two directors of the Guarantor or, as the case may be, signed by two Authorised Signatories of the Issuer to the effect that, to the best of the knowledge, information and belief of the Guarantor or, as the case may be, the Issuer as at a date not more than seven calendar days before delivering such certificate (the "**relevant date**") there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate the date hereof) any Event of Default or any Potential Event of Default (or if such exists or existed specifying the same) and that during the period from and including the relevant date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the relevant date of such certificate the Guarantor or, as the case may be, the Issuer has complied with all its obligations contained in these presents or (if such is not the case) specifying the respects in which it has not complied,

(b) (1) if the Issuer shall defer any Payment under Condition 7(a) it shall deliver to the Trustee, no less than twelve London business days prior to the relevant Payment Date, a certificate signed by two Authorised Signatories of the Issuer on behalf of the Issuer, certifying that the Deferral Event was satisfied on the sixteenth business day prior to the relevant Payment Date (2) if in the opinion of the Issuer there exists a Market Disruption Event as a consequence of which a payment may be deferred under Condition 7(e) deliver to the Trustee within two business days of such Market Disruption Event having arisen or the Issuer having become aware of the same, a certificate signed by two Authorised Signatories of the Issuer on behalf of the Issuer specifying details of the same,

13.8 **Register:** deliver or procure the delivery to the Trustee of an up to date copy of the register in respect of the Bonds, certified as being a true, accurate and complete copy, on the date hereof and at such other items as the Trustee may require,

13.9 **Agents:** comply with and perform all its obligations under the Agency Agreement and the Calculation Agency Agreement and use all reasonable endeavours to procure that the Agents comply with and perform all their respective obligations thereunder and not make any amendment or modification to the Agency Agreement and the Calculation Agency Agreement without the prior written approval of the Trustee,

13.10 **Payment Notification** use all reasonable endeavours to procure the Principal Paying, Transfer, Conversion and Exchange Agent to notify the Trustee forthwith in the event that it does not, on or before the due date for any payment in respect of the Bonds or any of them, receive unconditionally pursuant to the Agency Agreement payment of the full amount in the requisite currency of the moneys payable on such due date of all such Bonds as the case may be,

13.11 **Change in Agents:** give notice to the Bondholders in accordance with Condition 18 of any appointment, resignation or removal of any Agent after having obtained the approval of the Trustee thereto or any change of any Agent's specified office and (except as provided by the Agency Agreement) at least 30 days prior to such event taking effect, provided always that so long as any of the Bonds remains outstanding in the case of the termination of the appointment of the Registrar or so long as any of the Bonds remains liable to prescription in the case of the termination of the appointment of the Principal Paying, Transfer, Conversion and Exchange Agent no such termination shall take effect until a new Registrar, Transfer Agent or Principal Paying, Transfer, Conversion and Exchange Agent has been appointed on terms approved by the Trustee,

13.12 **Notice of late payment:** in the event of the unconditional payment to the Principal Paying, Transfer, Conversion and Exchange Agent of any sum due in respect of the Bonds or any of them, being made after the due date for payment thereof forthwith give or procure to be given notice to the relevant Bondholders in accordance with Condition 18 that such payment has been made,

13.13 **Listing and Trading:** use all reasonable endeavours to maintain the listing of the Bonds on the official list maintained by the Financial Services Authority in its capacity as UK Listing Authority and the trading of such Bonds on the market for listed securities of the London Stock Exchange plc or, if it is unable to do so having used all reasonable endeavours or if the maintenance of such listing or trading is in the reasonable opinion of the Guarantor unduly onerous, use all reasonable endeavours to obtain and maintain a quotation or listing of the Bonds on such other stock exchange or exchanges or securities market or markets as the Guarantor may (with the prior approval of the Trustee, such approval not to be unreasonably withheld or delayed) decide and shall also upon obtaining a quotation or listing of the Bonds on such other stock exchange or exchanges or securities market or markets enter into a deed supplemental to this Trust Deed to effect such consequential amendments to these presents as the Trustee may require to comply with the requirements of any such stock exchange or securities market,

13.14 **Notices to Trustee** obtain the prior written approval of the Trustee to, and promptly give to the Trustee two copies of, the form of every notice given to the Bondholders in accordance with Condition 18 (such approval, unless so expressed, not to constitute approval for the purposes of Section 21 of the Financial Services and Markets Act 2000 of

the United Kingdom of any such notice which is an invitation or inducement to engage in investment activity),

13.15 **Early Redemption** give prior notice to the Trustee of any proposed redemption pursuant to Condition 9(b) or 9(c),

13.16 **Relevant Event** give notice to the Trustee of the occurrence of a Relevant Event (as defined in the Articles of the Issuer) immediately upon becoming aware of the same,

13.17 **Subsidiaries:** procure its Subsidiaries to comply with all (if any) applicable provisions concerning the purchase of Bonds of Condition 9(d),

13 18 **Principal Subsidiaries.**

(a) give to the Trustee at the same time as sending to it the certificates referred to in Clause 13 7 above and in any event not later than 180 days after the last day of each financial period of the Guarantor, a report by two directors of the Guarantor listing those Subsidiaries of the Guarantor which as at such last day were Principal Subsidiaries, and

(b) give to the Trustee, as soon as reasonably practicable after the acquisition or disposal of any company which thereby becomes or ceases to be a Principal Subsidiary of the Guarantor or after any transfer is made to any Subsidiary of the Guarantor which thereby becomes a Principal Subsidiary, a report by two directors of the Guarantor to such effect,

13.19 **Bonds held by the Issuer, Guarantor, etc** In order to enable the Trustee to ascertain the amount of Bonds for the time being outstanding for any of the purposes referred to in the proviso to the definition of "outstanding" contained in Clause 1, deliver to the Trustee forthwith upon being so requested by the Trustee a certificate of the Issuer or, as the case may be, the Guarantor signed by two Authorised Signatories of the Issuer or, as the case may be, signed by two directors of the Guarantor stating the number of Bonds held at the date of such certificate by or on behalf of the Issuer, or as the case may be, the Guarantor or their respective Subsidiaries or any holding company of the Issuer or the Guarantor (within the meaning of Section 736 of the Companies Act 1985),

13 20 **Approval of Trustee** obtain the prior written approval of the Trustee whenever so required under the Articles of the Issuer and not undertake any course of action under the Articles of the Issuer without such prior written approval, and

13 21 **Further acts** so far as permitted by applicable law, at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the reasonable opinion of the Trustee having regard to the interests of Bondholders to give effect to this Trust Deed

14 Remuneration and Indemnification of the Trustee

14.1 **Normal Remuneration:** So long as any Bond is outstanding, the Issuer, failing whom the Guarantor, will pay to the Trustee by way of remuneration for its services as Trustee such sum as may from time to time be agreed between them Such remuneration will accrue from day to day from the date of this Trust Deed and shall be payable on such dates as may be agreed between the Issuer, the Guarantor and the Trustee However, if any payment to a Bondholder of the moneys due in respect of any Bond is improperly withheld

or refused, such remuneration will continue to accrue as from the date of such withholding or refusal until payment to such Bondholder is duly made

14.2 **Extra Remuneration:** At any time after the occurrence of an Event of Default or a Potential Event of Default or if the Trustee finds it expedient in the interests of Bondholders or necessary, or is requested by the Issuer, to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, the Issuer, failing whom the Guarantor, will pay such additional remuneration as may be agreed between them or, failing agreement as to any of the matters in this Clause (or as to such sums referred to in Clause 14 1), as determined by an investment bank of international repute in London (acting as an expert) selected by the Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales, the expenses involved in such selection and approval and the fee of such investment bank being borne by the Issuer The determination of such investment bank will, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor, the Trustee and the Bondholders

14 3 **Expenses:** The Issuer or, failing whom, the Guarantor will also pay or discharge all costs, charges, liabilities and expenses properly incurred by the Trustee in relation to the preparation and execution of this Trust Deed and the carrying out of its functions under this Trust Deed including, but not limited to, legal and travelling expenses and any capital, stamp, registration, documentary or other taxes or duties properly paid by the Trustee in connection with any legal proceedings brought by the Trustee against the Issuer or the Guarantor for enforcing any obligation under this Trust Deed, the Articles of the Issuer, the Paying, Transfer, Conversion and Exchange Agency Agreement, the Deed Poll or the Bonds

14 4 **Payment of Expenses.** All such costs, charges, liabilities and expenses properly incurred and payments properly made by the Trustee will be payable or reimbursable by the Issuer, failing whom the Guarantor, within 14 calendar days of demand by the Trustee and

14 4 1 in the case of payments made by the Trustee prior to such demand will (if not paid within 14 calendar days of such demand) carry interest from the date on which the demand is made at the rate of two per cent per annum over the base rate of National Westminster Bank plc on the date on which such payments were made by the Trustee, and

14 4 2 in all other cases will carry interest at such rate from 30 days after the date on which the demand is made or (where the demand properly specifies that payment is to be made on an earlier date) from such earlier date

14.5 **Indemnity and Associated Costs**

14 5 1 The Issuer and the Guarantor will, jointly and severally, indemnify the Trustee in respect of all liabilities and expenses properly incurred by it in the fulfilment of its obligations under this Trust Deed or by anyone appointed by it or to whom any of its functions may be delegated by it in the carrying out of its functions in the fulfilment of its obligations under this Trust Deed and against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) which any of them may incur or which may be made against any of them arising

out of or in relation to or in connection with, its appointment or the exercise of its functions

14 5 2 Where the Issuer is required to satisfy any payment in accordance with Condition 6, (i) if following the operation of Clauses 2 6 or 2 7 the net proceeds of sale of Associated Cost Ordinary Shares are less than the Associated Costs the Issuer shall pay the amount of such shortfall to the Trustee as soon as practicable following the completion of the operation of Clauses 2 6 or 2 7, as applicable and until such payment is made by the Issuer, the Trustee shall not be obliged to pay Associated Costs to the extent of such shortfall, and (ii) if the Trustee or its agent would be liable to pay any duties, then the Issuer shall pay in cleared funds an amount equal to such liability to or to the order of the Trustee on or before the date on which such liability arises For the avoidance of doubt, where the Trustee or its agent has made a payment in respect of Associated Costs or any duties prior to receiving any such payment from the Issuer Clause 14 5 1 shall apply to such payments on the basis that payments made hereunder were made without demand by the Trustee on the Issuer

14.6 **Provisions Continuing:** The provisions of Clauses 14 3, 14 4 and 14 5 will continue in full force and effect in relation to the Trustee even if it may have ceased to be Trustee

14.7 **Liability of Trustee** The Trustee shall have no liability in respect of the exercise or non exercise of any discretion pursuant to Condition 9(g)(iii)(4) above in respect of any sale of Redemption Settlement Shares or conversion of any amounts into U S dollars, whether for the timing of any such sale or conversion or the price at which any such Redemption Settlement Shares are sold or the rate at which any such amounts are converted into U S dollars, or the inability to sell any such Redemption Settlement Shares or make such conversion or otherwise

15 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000

By way of supplement to the Trustee Act 1925 and the Trustee Act 2000 it is expressly declared as follows

15 1 **Advice:** The Trustee may act on the opinion or advice of, or information obtained from, any expert or a certificate or report of the Auditors in each case whether or not addressed to the Trustee and will not be responsible to anyone for any loss occasioned by so acting Any such opinion, advice certificate, report or information may be sent or obtained by letter, telex or facsimile transmission and the Trustee will not be liable to anyone for acting in good faith on any opinion, advice certificate, report or information purporting to be conveyed by such means even if it contains some error or is not authentic

15.2 **Trustee to Assume Due Performance:** The Trustee need not notify anyone of the execution of this Trust Deed or do anything to ascertain whether any Event of Default or Potential Event of Default or Relevant Event has occurred and, until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such event has occurred and that the Issuer and the Guarantor are performing all their obligations under this Trust Deed, the Deed Poll, the Articles of the Issuer and the Bonds

15 3 **Resolutions of Bondholders:** The Trustee will not be responsible for having acted in good faith upon a resolution purporting to have been passed at a meeting of Bondholders in respect of which minutes have been made and signed even though it may later be found

that there was a defect in the constitution of such meeting or the passing of such resolution or that such resolution was not valid or binding upon the Bondholders

15 4 **Certificate Signed by Directors or Authorised Signatories:** The Trustee may call for and may accept as sufficient evidence of any fact or matter or of the expediency of any act a certificate of the Issuer or the Guarantor signed by any two Authorised Signatories of the Issuer or two directors of the Guarantor on behalf of the Issuer or the Guarantor as to any fact or matter upon which the Trustee may, in the exercise of any of its functions, require to be satisfied or to have information to the effect that, in the opinion of the person or persons so certifying, any particular act is expedient and the Trustee need not call for further evidence and will not be responsible for any loss that may be occasioned by acting on any such certificate

15.5 **Deposit of Documents:** The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit this Trust Deed and any other documents with such custodian and pay all sums due in respect thereof, provided that, unless in the opinion of the Trustee it is required in connection with the enforcement of any obligation of the Issuer or the Guarantor under this Trust Deed, the Paying, Transfer, Conversion and Exchange Agency Agreement or the Bonds or otherwise in connection with the performance of the duties of the Trustee hereunder or thereunder or unless it comprises the holding or placing of such documents in the United Kingdom, the Trustee may not take any such action if a liability to stamp duty or other duties or taxes would thereby arise The Trustee is not obliged to appoint a custodian of securities payable to bearer

15.6 **Nominees** in relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as nominee on any terms

15.7 **Discretion of Trustee:** Save as expressly provided in this Trust Deed, the Trustee will have absolute and uncontrolled discretion as to the exercise of its functions and will not be responsible for any loss, liability, cost, claim, action, demand, expenses or inconvenience which may result from their exercise or non exercise

15.8 **Agents:** Whenever it considers it expedient in the interests of the Bondholders and after (if practicable) consultation with the Issuer and the Guarantor, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money)

15 9 **Delegation:** Whenever it considers it expedient in the interests of the Bondholders and after (if practicable) consultation with the Issuer and the Guarantor, the Trustee may delegate to any person and on any terms (including power to sub delegate) all or any of its functions provided that the Trustee may not delegate the right to determine whether an Event of Default or Potential Event of Default has occurred unless prior to such delegation the Trustee provides to the Issuer and the Guarantor confirmation in writing that the Trustee has been advised by its legal advisers that it should delegate that right (with or without any other rights, trusts, powers, authorities and discretions) to another person or fluctuating body of persons because of a conflict of interest or possible conflict of interest and/or other similar circumstances which the Trustee might face, or be subjected to, as the trustee of this Trust Deed if it were not to delegate that right

15 10 **Forged Bonds**· The Trustee will not be liable to the Issuer, the Guarantor or any Bondholder by reason of having accepted as valid or not having rejected any Bond purporting to be such and later found to be forged or not authentic

15.11 **Confidentiality**· Unless ordered to do so by a court of competent jurisdiction, the Trustee shall not be required to disclose to any Bondholder any confidential, financial or other information made available to the Trustee by the Issuer or the Guarantor and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information

15.12 **Determinations Conclusive.** As between itself and the Bondholders, the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed Every such determination, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive in the absence of manifest error and shall bind the Trustee and the Bondholders

15 13 **Currency Conversion:** Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available Any rate, method and date so specified will be binding on the Issuer, the Guarantor and the Bondholders

15.14 **Events of Default** The Trustee may determine whether or not a default in the performance or observance by the Issuer or the Guarantor of any obligation is in its opinion capable of remedy and/or whether or not any event is in its opinion materially prejudicial to the interests of the Bondholders Any such determination will be conclusive and binding upon the Issuer, the Guarantor and the Bondholders

15 15 **Payment for and Delivery of Bonds** The Trustee will not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds, the exchange of the Global Bonds for definitive Bonds or the delivery of definitive registered Bonds to the persons entitled to them

15.16 **Bonds held by the Guarantor, etc** In the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer or the Guarantor) that no Bonds are for the time being held by or on behalf of any of the Issuer, the Guarantor or any other of their Subsidiaries or any holding company of the Issuer or the Guarantor (within the meaning of Section 736 of the Companies Act 1985)

15 17 **Interests of Bondholders**· In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any proposed modification, waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of this Trust Deed or the Deed Poll or any proposed substitution in accordance with Clause 19 2 or any determination made pursuant to Clause 17 1), the Trustee shall have regard to the interests of the Bondholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of such exercise for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim from

the Issuer, the Guarantor or the Trustee, any indemnification or payment of any tax arising in consequence of any such exercise upon individual Bondholders

15.18 **No Responsibility for Ordinary Share Value:** The Trustee shall not at any time be under any duty or responsibility to any Bondholder to determine whether any facts exist which may require any adjustment of the Exchange Price or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed, or in this Trust Deed or the Articles of the Issuer provided to be employed, in making the same The Trustee shall not at any time be under any duty or responsibility in respect of the validity or value (or the kind or amount) of Preference Shares or Ordinary Shares or of any other securities, property or cash, which may at any time be made available or delivered upon the conversion of any Bond, and it makes no representation with respect thereto The Trustee shall not be responsible for any failure of the Issuer or the Guarantor to make available or deliver any Preference Shares or Ordinary Shares or share certificates or other securities or property or make any payment upon the exercise of the Conversion and Exchange Right in respect of any Bond or of the Issuer or the Guarantor to comply with any of the covenants contained in this Trust Deed and the Deed Poll

15 19 **Enforcement of Rights:** The Trustee need not take any such action or proceedings as referred to in Condition 20 unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one quarter in principal amount of the Bonds then outstanding and (b) it shall have been indemnified to its satisfaction

15.20 **Breach of Undertakings.** The Trustee assumes no responsibility for ascertaining whether or not (i) a breach of any of the undertakings in Condition 13 shall have occurred or (ii) any such breach shall have been rectified pursuant to the Articles of the Issuer or (iii) (in each such case) any adjustment falls to be made to be made to the Exchange Price as a result thereof Unless and until the Trustee has actual knowledge of any of the above events it shall be entitled to assume that no such event has occurred The Trustee shall not be liable for any loss arising from any determination or calculation made pursuant to the Articles of the Issuer or from any failure or delay in making any such determination or calculation

15.21 **Responsibility for Agents etc** If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this clause (an "**Appointee**"), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or misconduct or default of any substitute appointed by the Appointee

15.22 **Incurrence of Financial Liability.** Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any power, rights, authority or discretion hereunder if it has grounds for believing the repayment of the funds or adequate indemnity against such risk or liability is not reasonably assured to it

15.23 **Independent Investment Bank:** The Trustee has no responsibility for the accuracy or otherwise of any determination made by an investment bank pursuant to the Articles of the Issuer

15.24 **Not Trustee for Preference Shareholders** The Trustee acts as trustee only for Bondholders and has no duties to holders of Preference Shares

15.25 **Auditor's certificates and reports:** Any certificate or report of the Auditors (whether or not addressed to the Trustee), an investment bank, a bank or any other expert called for by, or provided to, the Trustee in accordance with, or for the purposes of, this Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or engagement letter or other document in connection therewith contains a monetary or other limit on the liability of the Auditors, an investment bank, a bank or any other expert in respect thereof

15.26 **Sale of Shares:** The Trustee shall have no liability to Bondholders if the proceeds of sale of the Payment Ordinary Shares or other Ordinary Shares are insufficient to satisfy the relevant Payment in full whether by virtue of a fall in value of the Payment Ordinary Shares or other such Ordinary Shares, the Calculation Agent being unable to sell such Payment Ordinary Shares or other Ordinary Shares, the Trustee being liable to tax in respect of receiving, holding or selling the same or otherwise

16 Trustee liable for negligence

Section 1 of the Trustee Act 2000 shall not apply to any action of the Trustee provided that nothing in this Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of this Trust Deed relieve or indemnify it from or against any liability which by virtue of any rule of law would otherwise attach to it in respect of any negligence, default, breach of duty or breach of trust of which it or its officers and employees may be guilty

17 Waiver and Proof of Default

17.1 **Waiver** The Trustee may, without the consent of the Bondholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Bondholders will not be materially prejudiced thereby on such terms and conditions as seem expedient to it, waive or authorise, any breach or proposed breach by the Issuer or the Guarantor of any of the provisions of this Trust Deed, the Bonds, the Deed Poll or the Articles of the Issuer or determine that any Event of Default or Potential Event of Default will not be treated as such provided that the Trustee will not do so in contravention of any express direction given by an Extraordinary Resolution but no such direction will affect any previous waiver, authorisation or determination Any such waiver, authorisation or determination will be binding on the Bondholders and, if the Trustee so requires, will be notified to the Bondholders as soon as practicable

17.2 **Proof of Default** If it is proved that as regards any specified Bond the Issuer or the Guarantor has made default in paying any sum due to the relevant Bondholder such proof will (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Bonds which are then payable

18 Trustee not precluded from entering into Contracts

Neither the Trustee nor any director or officer of a corporation acting as a Trustee, whether acting for itself or in any other capacity, will be precluded from becoming the owner of, or acquiring any interest in, or holding or disposing of, any Bond or any Preference Shares or Ordinary Shares or securities of the Issuer or the Guarantor or any of their respective subsidiary, holding or associated companies with the same rights as it would have had if the Trustee were not the Trustee or from entering into or being interested in any contracts

or transactions with the Issuer or the Guarantor or any of their respective subsidiary, holding or associated companies or from acting on, or as depositary or agent for, any committee or body of holders of any securities of the Issuer or the Guarantor or any of their respective subsidiary, holding or associated companies and will not be liable to account for any profit

19 Modification and Substitution

19.1 Modification: The Trustee may agree, without the consent of the Bondholders, o (i) any modification to the Conditions or the provisions of this Trust Deed, the Deed Poll or the Articles of the Issuer (in the case of the Articles of the Issuer which would vary, abrogate or modify the rights appertaining to the Preference Shares) which in its opinion is of a formal, minor or technical nature or which is made to correct a manifest or proven error, or (ii) any other modification to the Conditions or the provisions of this Trust Deed and the Bonds or the Articles of the Issuer that relate to the rights appertaining to the Preference Shares which is in its opinion not materially prejudicial to the interests of the Bondholders For the avoidance of doubt the consent of the Trustee is not required for an alteration or modification of the Articles of the Issuer in respect of the rights appertaining to the Nominal Shares, provided that any such alteration or modification does not, or does not have the effect of varying, abrogating or modifying the rights appertaining to the Preference Shares

19.2 Substitution of the Issuer

19 2.1 The Trustee (if it is satisfied that to do so would not be materially prejudicial to the interests of Bondholders) may agree, if requested by the Issuer and subject to such amendment of the Trust Deed and the Deed Poll and such other conditions as the Trustee may require and without the consent of the Bondholders, to the substitution of any other company (the "**Substituted Obligor**") in place of the Issuer (or of any previous substitute under this Clause) as the principal debtor under this Trust Deed and the Bonds and as a party to the Agency Agreement, subject to the Bonds remaining unconditionally and irrevocably guaranteed by the Guarantor as provided in the Conditions and this Trust Deed and being convertible *mutatis mutandis* as provided in the Conditions for preference shares in the Substituted Obligor with substantially similar rights to the Preference Shares and to such preference shares being immediately exchangeable for Ordinary Shares *mutatis mutandis* as provided in the Articles of the Issuer and to the obligations of the Guarantor under the Deed Poll applying *mutatis mutandis* to such Preference Shares provided that

(i) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by this Trust Deed and the Bonds (with consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in this Trust Deed and the Bonds as the principal debtor in place of the Issuer (or, as the case may be, of any previous substitute under this Clause 19 2),

(ii) the Substituted Obligor creates preference shares and adopts articles of association substantially similar to the terms of the Preference Shares and the Articles of the Issuer in so far as the same relates to the rights of such preference shares,

(iii) an unconditional and irrevocable guarantee is given by the Guarantor on a subordinated basis on the basis as set out in Clause 3 and Condition 2 to the Trustee of the payment of all monies payable by the Substitute I Obligor as such principal debtor and of the performance by the Substitute I Obligor under its articles of association in relation to Preference Shares created,

(iv) if any two directors of the Substituted Obligor certify that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer,

(v) the Issuer, the Guarantor and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the Bondholders, and

(vi) the Trustee may in the event of such substitution agree to a change of law governing this Trust Deed and/or the Bonds and/or the Deed Poll or the Agency Agreement

19 2 2 **Release of Issuer and Substitute Obligor** Any such agreement by the Trustee pursuant to this Clause 19 2 will, if so expressed, operate to release the Issuer (or any such previous substitute) from any or all of its obligations under this Trust Deed and the Bonds Not later than 14 calendar days after the execution of any such documents and after compliance with such requirements, notice of the substitution will be given to the Bondholders

19 2 3 **Completion of Substitution.** Upon the execution of such documents and compliance with such requirements, the Substituted Obligor will be deemed to be named in this Trust Deed and the Bonds as the principal debtor in place of the Issuer (or of any previous substitute under Clause 19 2) and this Trust Deed and the Bonds will be deemed to be modified in such manner as shall be necessary to give effect to the substitution

20 Appointment, Retirement and Removal of the Trustee

20.1 **Appointment.** The Issuer will have the power of appointing new trustees but no person will be so appointed unless previously approved by an Extraordinary Resolution of Bondholders A trust corporation will at all times be a Trustee and may be the sole Trustee Any appointment of a new Trustee will be notified by the Issuer to the Bondholders as soon as practicable

20.2 **Retirement and Removal:** Any Trustee may retire at any time on giving not less than three months' notice in writing to the Issuer and the Guarantor without giving any reason and without being responsible for any costs occasioned by such retirement and the Bondholders may by Extraordinary Resolution remove any Trustee provided that the retirement or removal of any sole trustee or sole trust corporation will not become effective until a trust corporation is appointed as successor Trustee If a sole trustee or sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal under this Clause, the Issuer will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee, but if the Issuer has failed to do so within two months of such notice being given or since the date of such Extraordinary Resolution, the Trustee may exercise the power of appointing a successor trustee

20.3 **Co-Trustees** The Trustee may, despite Clause 20 1, by notice in writing to the Issuer and the Guarantor appoint anyone to act as an additional Trustee jointly with the Trustee

20 3 1 if the Trustee considers such appointment to be in the interests of the Bon lholders,

20 3.2 for the purpose of conforming with any legal requirement, restriction or condition in any jurisdiction in which any particular act is to be performed, or

20 3 3 for the purpose of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction against the Issuer or the Guarantor of either a judgment already obtained or any of the provisions of this Trust Deed

Subject to the provisions of this Trust Deed the Trustee may confer on any person so appointed such functions as it thinks fit The Trustee may by notice in writing to the Issuer, the Guarantor and such person remove any person so appointed At the request of the Trustee, the Issuer and the Guarantor will do all things as may be required to perfect such appointment or removal and it irrevocably appoints the Trustee to be its attorney in its name and on its behalf to do so

20 4 **Competence of a Majority of Trustees:** If there are more than two Trustees the majority of such Trustees will (provided such majority includes a trust corporation) be competent to carry out all or any of the Trustee's functions

21 Communications

Any communication shall be by letter delivered personally or facsimile transmission

in the case of the Issuer, to it at

22 Grenville Street
St Helier
Jersey JE4 8PX
Channel Islands

Fax no (44) 01534 609 333
Attention Dean Godwin

in the case of the Guarantor, to it at

1 Atlantic Quay
Robertson Street
Glasgow G2 8SP
United Kingdom

Fax no (44) 0141 566 4742
Attention Adrian Coats

and in the case of the Trustee, to it at

Fifth Floor
100 Wood Street
London EC2V 7EX

Fax no (44) 020 7696 5261
Attention The Manager, Trust Management

Any such communication will take effect, in the case of delivery, at the time of delivery or, in the case of facsimile transmission, at the time of despatch

22 Purchase or Redemption by the Guarantor of its own Shares

The Guarantor may exercise such rights as it may from time to time enjoy to purchase or redeem its own shares (including Ordinary Shares) without the consent of the Bondholders

23 Governing Law and Jurisdiction

23.1 **Governing Law**: This Trust Deed shall be governed by and construed in accordance with English law

23.2 **Jurisdiction** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Trust Deed, the Bonds and accordingly any legal action or proceedings arising out of or in connection with this Trust Deed or the Bonds (**"Proceedings"**) may be brought in such courts Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum This submission is for the benefit of each of the Trustee and the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not)

23.3 **Service of Process**: Each of the Issuer and the Guarantor irrevocably appoints the Guarantor's London office currently at 5th Floor, 30 Cannon Street, London EC4M 6XH to act as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer) If for any reason such process agent ceases to be able to act as such or no longer has an address in England the Issuer irrevocably agrees to appoint a substitute process agent acceptable to the Trustee and shall immediately notify the Trustee of such appointment Nothing shall affect the right to serve process in any other manner permitted by law

24 Counterparts

This Trust Deed and any Trust Deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any part to this Trust Deed or any Trust Deed supplemental hereto may enter into the same by executing and delivering a counterpart

25 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed, other than Clause 13 2(b) hereof

In witness whereof this Trust Deed has been executed as a deed on the date stated at the beginning

SCHEDULE 1
Form of Definitive Registered Bonds

On the front

ISIN [XS0171196727][1] [XS0171162075][2]

[THIS BOND, THE GUARANTEE IN RESPECT HEREOF, AND THE ORDINARY SHARES TO BE ISSUED UPON EXCHANGE OF THE PREFERENCE SHARES ON CONVERSION OF THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U S SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER WILL BE REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THIS BOND OR THE PREFERENCE SHARES ISSUED UPON CONVERSION OF THE BONDS OR THE ORDINARY SHARES FOR WHICH THE PREFERENCE SHARES ARE EXCHANGEABLE OF THE RESALE RESTRICTIONS REFERRED TO ABOVE NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS BOND, THE GUARANTEE OR THE PREFERENCE SHARES ISSUED UPON CONVERSION OF THE BONDS OR THE ORDINARY SHARES FOR WHICH THE PREFERENCE SHARES ARE EXCHANGEABLE

THE ORDINARY SHARES ISSUED ON EXCHANGE OF THE PREFERENCE SHARES INTO WHICH THIS BOND IS CONVERTIBLE MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY FACILITY ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK, UNLESS AND UNTIL THE TIME AS SUCH ORDINARY SHARES ARE NO LONGER "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144(A)(3) UNDER THE SECURITIES ACT][3]

[THIS BOND, THE GUARANTEE IN RESPECT HEREOF, AND THE ORDINARY SHARES TO BE ISSUED UPON THE EXCHANGE OF THE PREFERENCE SHARES ON CONVERSION OF THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U S SECURITIES ACT OF 1933, AS AMENDED (THE 'SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES, AND PRIOR TO THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF BONDS AND THE CLOSING DATE (THE "DISTRIBUTION COMPLIANCE PERIOD"), SUCH BONDS MAY NOT BE OFFERED SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A

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[1] Include for Rule 144A Registered Bond

[2] Include for Regulation S Registered Bond

UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES][4]

Denomination	ISIN	Series	Certif No
U S $1,000	Reg S XS0171162075	[ ]	[ ]
	Rule 144A XS0171196727		

SCOTTISH POWER FINANCE (JERSEY) LIMITED

(incorporated with limited liability in Jersey with registered number 85627)

U.S.$700,000,000 4.00 per cent Step-Up Perpetual Subordinated Guaranteed Convertible Bonds

guaranteed by

SCOTTISH POWER PLC

(incorporated with limited liability in Scotland with registered number 193794)

and convertible into 4.00 per cent Exchangeable Redeemable Preference Shares in the Scottish Power Finance (Jersey) Limited which will be exchanged immediately for Ordinary Shares in

SCOTTISH POWER PLC

The Bonds represented by this certificate form part of a series designated as specified in the title (the "**Bonds**") of Scottish Power Finance (Jersey) Limited (the "**Issuer**") The Bonds are constituted by a trust deed dated 10 July 2003 (the "**Trust Deed**") between the Issuer, Scottish Power plc (the "**Guarantor**") and The Law Debenture Trust Corporation p l c as Trustee (the "**Trustee**") The Bonds are subject to, and have the benefit of, that Trust Deed and the terms and conditions (the "**Conditions**") endorsed hereon Terms defined in the Trust Deed have the same meanings when used herein

The Issuer hereby certifies that [•] of [•] is, at the date hereof, entered in the register of Bondholders as the holder of Bonds in the principal amount of U S $[•] ([•] United States dollars) For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Bond is issued such amount or amounts as shall become due and payable from time to time in respect of such Bonds and otherwise to comply with the Conditions

The statements set forth in the legends above are an integral part of the Bonds in respect of which this Bond is issued and by acceptance hereof each holder of such Bonds agrees to be subject to and bound by the terms and provisions set forth in such legend

[For so long as any of the Bonds, the Guarantee, Preference Shares or Ordinary Shares, are "restricted securities" within the meaning of Rule 144(a)(3) under the U S Securities Act of 1933, as amended (the "**Securities Act**"), the Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the U S Securities Exchange Act of 1934, as amended (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3 2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchase of such restricted securities designated by such holder or beneficial owner, or to the Trustee, in the case of the Bonds, for delivery to such holder, beneficial owner or prospective purchaser, in each case, upon request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act][1]

The Bonds represented by this certificate are convertible into 4 00 per cent Exchangeable Redeemable Preference Shares in the Issuer which are exchangeable immediately for fully paid

Ordinary Shares currently with a par value of 50 pence each of Scottish Power plc subject to and in accordance with the Conditions and the Trust Deed

The statements set forth in the legend above are an integral part of the Bond or Bonds in respect of which this certificate is issued and by acceptance thereof each holder agrees to be subject to and bound by the terms and provisions set forth in such legend

This definitive registered Bond is evidence of entitlement only Title to the Bonds passes only on due registration on the register of Bondholders and only the duly registered holder is entitled to payments in respect of this definitive registered Bond

This definitive registered Bond shall not be valid for any purpose until authenticated by or on behalf of the Registrar

This definitive registered Bond is governed by, and shall be construed in accordance with, English law

Issued as of [•]

SCOTTISH POWER FINANCE (JERSEY) LIMITED

By

Certificate of Authentication

Authenticated by Citibank AG, Frankfurt as Registrar without recourse, warranty or liability

CITIBANK AG, FRANKFURT

(as Registrar)

By

Authorised Signatory

Dated

FORM OF TRANSFER

For value received the undersigned hereby sell(s), assign(s) and transfer(s) to

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS (INCLUDING POSTCODE OR EQUIVALENT) OF TRANSFEREE)

principal amount of this Bond and all rights under it, and irrevocably constitutes and appoints as attorney to transfer such principal amount of this Bond on the Register maintained by the Issuer in accordance with the Conditions, with full power of substitution

[NOTE INSERT [A] FOR TRANSFERS OF BONDS BEARING THE TRANSFER RESTRICTION LEGEND TO TRANSFEREES THAT TAKE DELIVERY OF BONDS NOT BEARING THE TRANSFER RESTRICTION LEGEND INSERT [B] FOR TRANSFERS OF BONDS NOT BEARING THE TRANSFER RESTRICTION LEGEND TO TRANSFEREES THAT TAKE DELIVERY OF BONDS BEARING THE TRANSFER RESTRICTION LEGEND]

[A] In connection with such request and in respect of such Bonds, the undersigned does hereby certify that (i) such transfer has been effected in accordance with the transfer restrictions set forth in the Bonds and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) either,

1 such transfer has been effected pursuant to and in accordance with Rule 903 or Rule 904 of Regulation S under the U S Securities Act of 1933, as amended (the "**Securities Act**"), and accordingly the undersigned does hereby further certify that

(a) the offer of the Bonds was not made to a person in the United States or to or for the account or benefit of a U S person,

(b) either

(i) at the time the buy order was originated, the transferee was outside the United States or the undersigned and any person acting on its behalf reasonably believed that the transferee was outside the United States, or

(ii) the transaction was executed in, on or through the facilities of a designated offshore securities market (as defined in Regulation 5) and neither the undersigned nor any person acting on its behalf knows that the transaction was pre arranged with a buyer in the United States,

(c) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable,

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the U S Securities Act, and

(e) if the undersigned is an officer or director of the Issuer or the Guarantor or a distributor, who is an affiliate of the Issuer or the Guarantor or distributor solely by holding such position, such sale is made in accordance with the applicable provisions of Rule 904(b)(2) of Regulation S, or

2 the transfer has been effected pursuant to an exemption from registration under the U S Securities Act provided by Rule 144 thereunder, or

3 the transfer has been effected pursuant to an effective registration statement filed with the U S Securities and Exchange Commission

[B] In connection with such request and in respect of such Bonds, the undersigned does hereby certify that such transfer has been effected pursuant to and in accordance with Rule 144A (**"Rule 144A"**) under the U S Securities Act of 1933, as amended (the **"Securities Act"**) and, accordingly, the undersigned does hereby further certify that the beneficial interest in such Bonds is being transferred to a person that the undersigned reasonably believes is purchasing the Bonds for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person, and each such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with the transfer restrictions set forth in the Bonds and any applicable securities laws of any state of the United States or any other jurisdiction

Dated

Signed Certifying Signature

Notes:

(i) The signature to this transfer must correspond with the name(s) as it/they appear(s) on the face of this Bond In the case of joint holders, each of the joint holders named on the Register must sign this form of transfer

(ii) A representative of the Holder of Bonds should state the capacity in which he signs e g executor

(iii) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require

(iv) This form of transfer must be accompanied by such documents, evidence or information as the Registrar may require

(v) Where the transferor is a corporation, this form of transfer shall be executed under its common seal or under the hand of two of its officers duly authorised in writing

SCHEDULE 2

Terms and Conditions of the Bonds

1 Form, Denomination and Title

(a) *Form and Denomination*

The Bonds will be issued in registered form in the Authorised Denominations without interest coupons attached and represented by the Global Bonds (as defined below) The Global Bonds will be exchangeable in limited circumstances into definitive Bonds in registered form only in authorised Denominations, serially numbered.

(b) *Global Bonds*

Bonds in which beneficial interests are sold in transactions in reliance on Regulation S under the US Securities Act of 1933, as amended (the "Securities Act"), will be represented by a global Bond in registered form (the "Regulation S Global Bond") Bonds in which beneficial interests are sold pursuant to Rule 144A under the Securities Act will be represented by a global Bond in registered form (the "Rule 144A Global Bond" and, together with the Regulation S Global Bond, the "Global Bonds")

(c) *Bonds in Definitive Form*

Bonds in definitive form will be issued only upon exchange of interests in the Global Bonds as described herein and in the Global Bonds

The Bonds are not issuable in bearer form

(d) *Title*

Title to the Bonds will pass by transfer and registration as described in Conditions 3 and 4 The holder (as defined below) of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as appropriate) or anything written on it or on the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the holder In these Conditions, "Bondholder" and "holder" means the person in whose name a Bond is registered in the Register

The Bonds are constituted by a trust deed dated 10 July 2003 (the "Trust Deed") between the Issuer, the Guarantor and The Law Debenture Trust Corporation p l c (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds The issue of the Bonds was authorised pursuant to a resolution of the Board of Directors of the Issuer passed on 8 July 2003 and the giving of the guarantee in respect of the Trust Deed and the Bonds (the "Bond Guarantee") was authorised by resolutions of the Board of Directors of the Guarantor passed on 29 May 2003 and resolutions of a committee of the Board of Directors of the Guarantor passed on 17 June and 3 July 2003 The statements in these terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds Copies of the Trust Deed, the Paying, Transfer, Conversion and Exchange Agency Agreement dated 10 July 2003 (the "Agency Agreement") relating to the Bonds between the Issuer, the Guarantor, the Trustee and Citibank, N A (the "Principal Paying, Transfer, Conversion and Exchange Agent", which expression shall include any successor as principal paying, transfer, conversion and exchange agent under the Agency Agreement) and the paying, transfer, conversion and exchange agents for the time being (such parties, together with the Principal Paying, Transfer, Conversion and Exchange Agent, being referred to as the "Paying, Transfer, Conversion and Exchange Agents", which expression shall include their successors as paying, transfer, conversion and exchange agents under the Agency Agreement) and Citibank AG, Frankfurt in its capacity as registrar (the "Registrar", which expression shall include any successor as registrar under the Agency Agreement), the Calculation Agency Agreement dated 10 July 2003 (the "Calculation Agency Agreement") between the Issuer, the Guarantor and the Calculation Agent, the Articles of Association of the Issuer (the "Articles of the Issuer") and the deed poll (the "Deed Poll") executed and delivered by the Guarantor on 10 July 2003 are available for inspection during normal business hours by the Bondholders at the registered office of the Trustee, being at the date hereof at Fifth Floor, 100 Wood Street, London EC2V 7EX The Bondholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed and are deemed to have notice of, all the provisions applicable to them of the Agency Agreement, the Calculation Agency Agreement and the Articles of the Issuer Only holders of Preference Shares will have the benefit of the Deed Poll

The Bonds are convertible into fully paid 4 00 per cent exchangeable redeemable preference shares in the Issuer (the "Preference Shares") having a paid up value (the "Paid up Value") of US$1,000 each Payments in respect of the Preference Shares are guaranteed by the Guarantor pursuant to the Deed Poll The Preference Shares shall be issued subject to and in accordance with these Conditions and the Articles of the Issuer

The Preference Shares will, following their issue, be immediately exchanged for fully paid ordinary shares in the Guarantor (the "Ordinary Shares") having at the date hereof a nominal value of 50 pence each, in accordance with these Conditions, the provisions of the Articles of the Issuer and the Deed Poll The price at which any such exchange will be made (the "Exchange Price") will, subject to adjustment in certain circumstances as set out in the Articles of the Issuer, be 460 pence per Ordinary Share The number of Ordinary Shares for which a Preference Share will be exchangeable will be determined by dividing the Paid up Value of the Preference Share (translated into sterling at the fixed rate of US$1 6776 = £1 00) by the Exchange Price in effect on the Conversion Date

Words and expressions not otherwise defined in any Condition shall have the meaning given in Condition 23 or in the Trust Deed, unless the context otherwise requires

2 Status and Subordination

(a) *The Bonds*

The Bonds constitute direct and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves In the event of the winding up of the Issuer, the claims of the Trustee and the Bondholders against the Issuer in respect of such Bonds will be subordinated, in the manner provided in the Trust Deed, to the claims of all other creditors of the Issuer except for the claims of holders of unsecured rights against the Issuer being rights which are subordinated so as to rank either (i) *pari passu* with such Bonds with all of which excepted claims such Bonds shall rank *pari passu*, or (ii) junior to such Bonds

(b) *Subordinated Bond Guarantee*

The Guarantor has in the Trust Deed unconditionally (save as to subordination) and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. The Bond Guarantee constitutes direct and unsecured obligations of the Guarantor In the event of a winding up of the Guarantor, the claims of the Trustee and the Bondholders to payment under the Bond Guarantee will be subordinated in right of payment, in the manner provided in the Trust Deed, to the claims of all Senior Creditors of the Guarantor and senior to the claims of holders of Ordinary Shares

3 Registration

The Issuer will cause a register (the "Register") to be kept at the specified office of the Registrar on which will be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversion of Bonds Holders of Bonds will be entitled to receive only one Bond in respect of their entire holdings

4 Transfer of Bonds

(a) *Transfer*

Bonds may, subject to the terms of the Agency Agreement and to Conditions 4(b) and 4(c), be transferred in whole or in part in an Authorised Denomination by lodging the relevant Bond (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer, Conversion and Exchange Agent

No transfer of a Bond will be valid unless and until entered on the Register A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will, within seven Business Days (as defined below) in the place of the specified office of the Registrar of any duly made application for the transfer of a Bond, deliver a new Bond to the transferee (and, in the case of a transfer of part only of a Bond, deliver a Bond for the untransferred

balance to the transferor), at the specified office of the Registrar, or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Bond by uninsured mail to such address as the transferee or, as the case may be, the transferor may request

(b) *Formalities Free of Charge*

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such other reasonable requirements as the Issuer may from time to time agree with the Registrar and the Trustee The exchange of interests in a Global Bond for definitive Bonds will be subject to the provisions of all applicable fiscal or other laws and regulations in effect at the time of such exchange

(c) *Closed Periods*

Neither the Issuer nor the Registrar will be required to register the transfer of any Bond (or part thereof) (i) during the period of 15 calendar days immediately prior to any Reset Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 9(b) or 9(c) or (ii) during the period of 15 calendar days ending on (and including) any Record Date (as defined in Condition 10(c)) in respect of any payment of interest on the Bonds or (iii) in respect of which a Conversion Notice (as defined in Condition 8(b)) has been delivered in accordance with Condition 8(b) or (iv) in respect of which a Bondholder shall have exercised its right to require the Issuer to redeem such Bond pursuant to Condition 9(b)(i) or 9(b)(ii)

(d) *Business Days*

In these Conditions, "Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in the relevant place

5 Interest Payments

(a) *Interest Payment Dates*

The Bonds bear interest at the Interest Rate from (and including) the Issue Date Subject to Conditions 6, 7(d) and 7(e), such interest will be payable on each Interest Payment Date

(b) *Interest Rate*

(i) The Interest Rate in respect of the period from (and including) the Issue Date to (but excluding) the First Reset Date is 4 00 per cent per annum

(ii) The Interest Rate in respect of each Reset Period shall be the aggregate of 4 00 per cent. per annum and

(aa) the offered rate (rounded, if necessary, up to the nearest one hundred thousandth of a percentage point (0 000005 per cent being rounded upwards)) for three month deposits in US dollars as at 11 00 a m (London time) on the Interest Determination Date in question as appears on the display designated as page "3750" on the Moneyline Telerate Monitor (or such other page or service as may replace it for the purpose of displaying such information) as determined by the Registrar,

(bb) if such offered rate does not appear, the arithmetic mean (rounded, if necessary, up to the nearest one hundred thousandth of a percentage point (0 000005 per cent. being rounded upwards)) of offered quotations to leading banks in the London interbank market for three month Euro dollar deposits as at 11 00 a m (London time) on the Interest Determination Date in question obtained by the Registrar from the principal London office of the Reference Banks (as defined in Condition 5(e)), provided at least two of the Reference Banks provide the Registrar with such offered quotations, and

(cc) if, on any Interest Determination Date to which the provisions of sub paragraph (bb) above apply, one only or none of the Reference Banks provides the Registrar with such a quotation, the arithmetic mean (rounded, if necessary, up to the nearest one hundred thousandth of a percentage point (0 000005 per cent. being rounded upwards)) of the Euro dollar lending rates which major banks in the London interbank market selected by the Registrar are quoting at approximately 11 00 a m (London time) on the relevant Interest Determination Date to leading London interbank market banks for a period of three months,

except that, if the banks so selected by the Registrar under sub paragraph (cc) above are not quoting as mentioned above, the Interest Rate shall be the Interest Rate in effect for the last preceding Interest Period to which one of the preceding sub paragraphs of this paragraph shall have applied

(c) *Determination and Publication of Interest Rate and Interest Amounts*

The Registrar will, upon determining the Interest Rate pursuant to Condition 5(b)(ii), calculate the Interest Amount in respect of each US$1,000 principal amount and cause the Interest Rate and each Interest Amount payable in respect of an Interest Period to be notified to the Issuer, the Guarantor, the Trustee, the Principal Paying, Transfer, Conversion and Exchange Agent and the London Stock Exchange and to be notified to the Bondholders as soon as possible after their determination but in no event later than the fourth London business day thereafter

Each Interest Amount in respect of any Interest Period ending prior to the First Reset Date shall be calculated by applying the Interest Rate to the principal amount of the relevant Bond and, in respect of any period of less than a complete year (save for a semi annual Interest Period) such Interest Amount shall be calculated on the basis of a 360 day year consisting of 12 months of 30 calendar days each and, in the case of an incomplete month, the number of days elapsed

Each Interest Amount in respect of any Interest Period commencing on or after the First Reset Date shall be calculated by applying the Interest Rate to the principal amount of the relevant Bond and multiplying the result by the Day Count Fraction

(d) *Determination or Calculation by Trustee*

If the Registrar does not at any time for any reason so determine the Interest Rate or calculate each Interest Amount in accordance with Condition 5(b)(ii) and 5(c), the Trustee or an agent on its behalf shall do so and such determination or calculation shall be deemed to have been made by the Registrar In doing so, the Trustee or such agent shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it or such agent can do so, and in all other respects it or such agent shall do so in such manner as it shall deem fair and reasonable in all the circumstances All determinations or calculations made or obtained for the purposes of the provisions of this Condition 5(d) by the Trustee or such agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Registrar, the other Paying, Transfer, Conversion and Exchange Agents and all Bondholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor or the Bondholders shall attach to the Trustee in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions

(e) *Reference Banks*

Unless the Bonds are to be redeemed on or before the First Reset Date, the Issuer will (with prior written approval of the Trustee) not later than 20 London business days before the First Reset Date appoint four leading financial institutions engaged in the London interbank market (each acting through its principal London office) to act as Reference Banks and will procure that, so long as any Bond is outstanding, there shall thereafter at all times be four Reference Banks If any such institution (acting through its relevant office) is unable to continue to act as a Reference Bank, the Issuer shall (with prior written approval of the Trustee) appoint some other leading financial institution engaged in the London interbank market (acting through its principal London office) to act as such in its place

(f) *Accrual of Interest*

Each Bond will cease to bear interest (1) where the Conversion Right attached to it shall have been exercised, or the Trustee shall have exercised its rights of conversion with respect to it pursuant to Condition 8(c), from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Issue Date (subject in any such case as provided in Condition 8(e)) or (2) where such Bond is redeemed or repaid pursuant to Condition 9 or Condition 11, from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused (or, following any election by the Issuer to exercise its Share Settlement Option (as defined in Condition 9), the Issuer fails duly to perform its obligation to deliver the Redemption Settlement Shares and Cash Settlement Amount (as defined in Condition 9) (if any) in accordance with Condition 9(g)), in which event such Bond shall continue to bear interest at the applicable rate (both before and after judgment) as provided in the Trust Deed until (but excluding) whichever is the earlier of (i) the day on which all sums and/or Ordinary Shares due in respect of such Bonds up to that day are received by or on behalf of the relevant holder, and (ii) the day which is seven calendar days after that on which the Trustee or the Principal Paying, Transfer, Conversion and Exchange Agent has notified the Bondholders of receipt of all sums and/or Ordinary Shares due in respect of all the Bonds up to such seventh calendar day

6 Mandatory Deferrals

The Issuer (failing whom the Guarantor) must make each payment of interest on the relevant Interest Payment Date subject to and in accordance with these Conditions However, if on the 16th London business day preceding the date (the "Payment Date") on which any payment of interest would, in the absence of deferral in accordance with this Condition 6, be due and payable, a Deferral Event has occurred, any such payment of interest (the "Deferred Payment") shall (subject to, and in accordance with, Condition 7) be deferred by the Issuer giving notice to the Bondholders in accordance with Condition 18, not less than 12 London business days prior to the Payment Date (a "Deferral Notice") Accordingly, on the giving of such notice, the Payment Date for the Deferred Payment shall be deferred and the relevant Deferred Payment shall become due and payable in accordance with Condition 7 on the 21st calendar day (or if such date is not a London Business Day, the next following London business day after the date of such Deferral Notice (the "Deferred Payment Date") If the Issuer has given a Deferral Notice then the Guarantor may not declare or pay (other than a final dividend declared by the Shareholders of the Guarantor before the date of that Deferral Notice) a dividend on any of its Ordinary Shares from the date of the Deferral Notice until such time as the Deferred Payment is satisfied Any such Deferred Payment shall be satisfied only in accordance with Condition 7 The non payment of any interest following the giving of any Deferral Notice in respect of it pursuant to this Condition 6 shall not constitute an Event of Default (as defined in Condition 11)

7 Deferred Coupon Satisfaction Mechanism

(a) *Deferred Coupon Satisfaction Mechanism*

If the Issuer has given a Deferral Notice pursuant to Condition 6, the Issuer shall satisfy the relevant Deferred Payment in full through the issue of Preference Shares (which will be immediately exchanged for Ordinary Shares) to the Trustee in accordance with this Condition 7 Unless a Deferral Notice has been given in respect of any payment of interest, all payments of interest must be satisfied by the Issuer or the Guarantor, as the case may be, in accordance with Condition 10

(b) *Issue of Preference Shares*

If any payment of interest is to be satisfied in full through the issue of Preference Shares to the Trustee then, subject to Conditions 7(d) and 7(e)

(i) by close of business on or before the 7th London business day prior to the Deferred Payment Date, the Issuer will issue to the Trustee (or, if so agreed between the Issuer and the Trustee, to an agent of the Trustee) such number of Preference Shares (the "Payment Preference Shares") as, in the determination of the Calculation Agent, will be exchangeable at the then prevailing

Exchange Price for fully paid Ordinary Shares (the "Payment Ordinary Shares") that have a market value converted into US dollars at the prevailing market exchange rates determined by the Calculation Agent of not less than an amount equal to the relevant Deferred Payment,

(ii) such Payment Preference Shares will be immediately exchanged for the Payment Ordinary Shares as provided in the Articles of the Issuer; and

(iii) the Trustee has agreed in the Trust Deed to use reasonable endeavours to give the necessary instructions to the Calculation Agent (subject to any necessary consents being obtained) as soon as practicable and in any case not later than by close of business on the 6th London business day prior to the Deferred Payment Date to procure purchasers for such Payment Ordinary Shares on its behalf, and the Calculation Agent has agreed to use reasonable endeavours on behalf of the Trustee to procure purchasers for such Payment Ordinary Shares prior to the Deferred Payment Date The Calculation Agent has further agreed to exchange the proceeds of such sale into US dollars at prevailing market exchange rates and deliver such exchanged proceeds to, or hold such exchanged proceeds to the order of, the Trustee, who shall pay, or procure that its agent pays, such proceeds as it holds in respect of the relevant Deferred Payment on the Deferred Payment Date to the Principal Paying, Transfer, Conversion and Exchange Agent for application in accordance with Condition 7(c)

If, after the operation of the above procedures there would, in the opinion of the Calculation Agent, be a shortfall on the Deferred Payment Date, the Issuer and the Guarantor shall, subject to Conditions 7(d) and 7(e), respectively issue further Preference Shares and Ordinary Shares in accordance with the provisions of the Trust Deed to ensure that a sum at least equal to the relevant Deferred Payment is available to make the Deferred Payment in full on the relevant Deferred Payment Date, provided that if, despite the operation of the aforementioned provisions, such a shortfall exists on the Deferred Payment Date the Issuer may in accordance with the provisions of the Trust Deed either pay an amount equal to such shortfall as soon as practicable to or to the order of the Trustee or continue, together with the Guarantor, to issue Preference Shares and Ordinary Shares until the Principal Paying, Transfer, Conversion and Exchange Agent shall have received funds equal to the full amount of such shortfall

(c) *Issuer satisfies payment*

The issue by the Issuer of Preference Shares in accordance with this Condition 7 shall release and discharge the Issuer from the requirement to satisfy the Deferred Payment or, as the case may be, in the circumstances referred to in (d) below, the relevant part of such Deferred Payment The proceeds of sale of Payment Ordinary Shares resulting from the mandatory exchange of Payment Preference Shares in accordance with this Condition 7 and the Articles of the Issuer shall be paid by the Principal Paying, Transfer, Conversion and Exchange Agent to the Bondholders to the extent of the Deferred Payment

(d) *Insufficiency*

If the Issuer is to satisfy a Deferred Payment in accordance with this Condition 7 and the Guarantor does not, on the date when the applicable number of Payment Ordinary Shares required to be issued is determined in accordance with this Condition 7, have a sufficient number of Ordinary Shares available for issue free from pre emption rights, then the Guarantor shall notify the Issuer, the Trustee, the Calculation Agent, the Principal Paying, Transfer, Conversion and Exchange Agent and the Bondholders (the "Insufficient Share Authority Notice") that all or part, as the case may be, of the Deferred Payment cannot be satisfied in accordance with this Condition 7 until after the date of the next annual general meeting or extraordinary general meeting of shareholders of the Guarantor (notice of which has not then been given) at which a resolution is passed authorising a sufficient number of Ordinary Shares to be issued to satisfy all or such part of the relevant Deferred Payment, provided that if the number of Ordinary Shares authorised to be issued at any such meeting is insufficient to satisfy all or such part of the relevant Deferred Payment then those Ordinary Shares so authorised to be issued shall be applied in part satisfaction of all or such part of the relevant Deferred Payment in accordance with this Condition 7 Following the passage of such resolution, the Issuer and the Guarantor shall notify the Trustee, the Calculation Agent, the Principal Paying,

Transfer, Conversion and Exchange Agent and the Bondholders of the date upon which the relevant Deferred Payment or, as the case may be, the part thereof is to be made in accordance herewith on not less than 16 London business days' notice If, in the case of an insufficiency of Ordinary Shares, the Guarantor does not hold an annual or extraordinary general meeting within 12 months of giving the Insufficient Share Authority Notice, at which a resolution to make a sufficient number of Ordinary Shares so available is proposed, the Issuer shall by notice require the Guarantor to convene an extraordinary general meeting at which such a resolution shall be proposed on a date falling within 10 weeks of such notice from the Issuer If and to the extent the Guarantor has insufficient Ordinary Shares for issue free from pre emption rights as described above, the Issuer shall not issue Payment Preference Shares pending the Guarantor obtaining the required resolution to issue the relevant Ordinary Shares

(e) *Market Disruption*

Notwithstanding the provisions of Condition 7(b), if there exists, in the opinion of the Issuer or the Guarantor, a Market Disruption Event on or after the 15th London business day preceding any date upon which the Issuer is due to satisfy a Deferred Payment in accordance with this Condition 7, then the Issuer shall give a notice to the Trustee, the Calculation Agent, the Principal Paying Transfer, Conversion and Exchange Agent and the Bondholders as soon as possible after the Market Disruption Event has arisen or occurred, whereupon satisfaction of the relevant Deferred Payment in accordance with Condition 7 may be deferred until such time as the Market Disruption Event no longer exists

Any such Deferred Payment will be satisfied as soon as practicable following such time as the Market Disruption Event no longer exists and the Issuer shall not issue Preference Shares pending the end of the Market Disruption Event.

(f) *Interest*

Interest shall not accrue on any Deferred Payment unless, as a consequence of the existence of a Market Disruption Event, the Issuer does not make the relevant payment for a period of 14 calendar days or more after the Deferred Payment Date, in which case interest shall accrue on such Deferred Payment from (and including) the Deferred Payment Date to (but excluding) the date on which such payment is made Any such interest shall be satisfied only in accordance with Condition 7, as soon as reasonably practicable after the relevant Deferred Payment is made.

(g) *Trustee liability*

No liability shall attach to the Trustee or its agents if, as a result of a Market Disruption Event or any other event outside the control of the Trustee or its agent, the Trustee or its agent is unable to comply with the provisions of Condition 7(b)

8 Conversion

(a) *Conversion Right*

The holder of each Bond shall have the right (the "Conversion Right") to convert ("conversion") each US$1,000 principal amount of a Bond into one fully paid Preference Share allotted at a price equal to the Paid up Value and to require the Issuer forthwith to procure that such Preference Share be exchanged immediately, pursuant to the Articles of the Issuer and the terms and conditions of the Deed Poll and as provided in these Conditions, for Ordinary Shares of the Guarantor, having at the Issue Date a nominal value of 50 pence each, issued and accredited as fully paid, at any time on or after 19 August 2003 to the close of business (at the place where the relevant Bond is deposited for conversion) on the seventh calendar day prior to the First Reset Date (both days inclusive) or, if such Bond shall have been called for redemption pursuant to Condition 9(b) prior to the First Reset Date, then up to the close of business (at the place aforesaid) on the seventh calendar day prior to the date fixed for redemption thereof or, if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 9(c) then up to the close of business (at the place aforesaid) on the calendar day prior to the giving of such notice unless, in any such case, there shall be default in

making payment in respect of such Bond on any such date fixed for redemption, in which event the Conversion Right shall extend (unless the Trustee shall have already exercised the relevant rights of conversion pursuant to Condition 8(c)) up to the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 18 or, if earlier, the First Reset Date, provided that in each case if the final such date for the exercise of Conversion Rights is not a Business Day in such place, then the right to exercise Conversion Rights shall end on the immediately preceding Business Day in such place

Conversion Rights may not be exercised in respect of a Bond where the Bondholder shall have exercised its right to require the Issuer to redeem such Bond pursuant to Condition 9(c)

Conversion Rights may not be exercised following the giving of notice by the Trustee pursuant to Condition 11

A Conversion Right may only be exercised in respect of an Authorised Denomination Where a Conversion Right is exercised in respect of part only of a Bond, the old Bond shall be cancelled and a new Bond for the balance thereof shall be issued in lieu thereof without charge but upon payment by the holder of any taxes, duties and other governmental charges payable in connection therewith and the Registrar will within seven Business Days in the place of the specified office of the Registrar following the relevant Conversion Date deliver such new Bond to the Bondholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Bondholder otherwise than by ordinary mail, at the expense of the Bondholder) mail the new Bond by uninsured mail to such address as the Bondholder may request

Without prejudice to Condition 8(c), a Conversion Right may not be exercised by a Bondholder in circumstances where the relevant Conversion Date would fall during the period commencing on the Record Date in respect of any payment of interest on the Bonds and ending on the relevant Interest Payment Date (both days inclusive)

By exercising a Conversion Right, a Bondholder (or, in the case of the exercise of Conversion Rights by the Trustee pursuant to Condition 8(c) of the Bonds, the Trustee) will be deemed, subject to and in accordance with the Articles of the Issuer, to have made a Share Exchange Call applicable to the Preference Shares arising on the exercise of such Conversion Right, and the Issuer will procure that such Preference Shares are immediately, following the issue of such Preference Shares to the Bondholder or his nominee (or to the Trustee or as the Trustee directs, as the case may be), exchanged, in accordance with the Articles of the Issuer, for Ordinary Shares on or as at the relevant Conversion Date (without any further action being required to be taken by any Bondholder or the Trustee) Each of the Issuer and the Guarantor is entitled (at its own expense) to do all such things and make all such entries in the Issuer's and the Guarantor's respective register of members and execute all such documents, whether on behalf of the relevant Bondholders or otherwise, including the execution of such instruments of transfer on behalf of the relevant Bondholders) as may be necessary to effect such exchange of Preference Shares for Ordinary Shares

(b) *Procedure for Conversion*

The Conversion Right attaching to any Bond may be exercised by delivering the relevant Bond to the specified office of any Paying, Transfer, Conversion and Exchange Agent or the Registrar during its usual business hours, accompanied by a duly completed and signed notice of conversion (a "Conversion Notice") in the form (for the time being current) obtainable from any Paying, Transfer, Conversion and Exchange Agent or the Registrar Delivery as aforesaid shall not be required in the case of the Trustee exercising rights of conversion pursuant to Condition 8(c) Conversion Rights

shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying, Transfer, Conversion and Exchange Agent or the Registrar to whom the relevant Conversion Notice is delivered is located

The conversion date in respect of a Bond (the "Conversion Date") shall be the London business day immediately following the date of such delivery and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right or, in the case of the Trustee exercising rights of conversion pursuant to Condition 8(c), the relevant redemption date, save that for the purposes of calculating the amount of interest payable in such circumstances pursuant to Condition 8(c), the Conversion Date shall mean the date which would have been the Conversion Date had Conversion Rights been exercised by holders of the relevant Unexercised Bonds (as defined in Condition 8(c)) on the last day of the relevant period for exercise of Conversion Rights by such holders pursuant to Condition 8(a) A Conversion Notice once delivered shall be irrevocable.

A Bondholder exercising a Conversion Right or the Trustee exercising its rights of conversion under Condition 8(c) must pay (in the case of the Trustee by means of deduction from the net proceeds of sale referred to in Condition 8(c)) any taxes and capital, stamp, issue and registration duties arising on the relevant conversion (except any taxes or capital duties or stamp duties payable in Jersey or the United Kingdom by the Issuer or the Guarantor in respect of the allotment and issue of Ordinary Shares on conversion other than any stamp duty or stamp duty reserve tax that arises under Sections 67, 70, 93 or 96 of the Finance Act 1986) and such Bondholder or the Trustee (as the case may be) must pay (in the case of the Trustee, by way of deduction from the net proceeds of sale as aforesaid) all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond or Preference Share in connection with such conversion

Neither the Preference Shares nor the Ordinary Shares will be available for issue (i) to, or to a nominee for, Euroclear, Clearstream, Luxembourg, First Chicago Clearing Center or any other person providing a clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or (ii) to a person, or nominee or agent for a person, whose business is or includes issuing depositary receipts within the meaning of Section 93 of the Finance Act 1986 of the United Kingdom, in each case at any time prior to the "abolition day" as defined in Section 111(1) of the Finance Act 1990 of the United Kingdom

Ordinary Shares to be issued on exchange of the Preference Shares arising on conversion of the Bonds will be allotted and issued in uncertificated form by the Guarantor through the dematerialised securities trading system generated by CRESTCo Limited, known as CREST, unless the Bondholder elects to hold the Ordinary Shares in certificated registered form or, at the time of issuance, the Ordinary Shares are not a participating security in CREST Certificates for Ordinary Shares issued on conversion (if Ordinary Shares are in certificated form) will be dispatched by mail free of charge (but uninsured and at the risk of the person entitled thereto) within one month after the Conversion Date

(c) *Automatic Conversion on Redemption*

The Trust Deed provides that the Trustee may (other than in circumstances where the Issuer has elected to exercise the Share Settlement Option in accordance with Condition 9), at its absolute discretion (and without any responsibility for any loss occasioned thereby), within the period commencing on the date six calendar days immediately prior to, and ending at the close of business on the London business day immediately prior to, the date fixed for redemption from time to time of any of the Bonds (including any redemption under Condition 9(b)), elect by notice in writing to the Issuer to convert the aggregate principal amount of Bonds due for redemption on such date and in respect of which Conversion Rights have not been exercised ("Unexercised Bonds") into Preference Shares on the applicable Conversion Date if all necessary consents (if any) have been obtained and the Trustee is satisfied or is advised by an independent investment bank of international repute in London appointed by the Trustee that the net proceeds of an immediate sale of the Ordinary Shares arising on the exchange of such Preference Shares at the Exchange Price on the applicable Conversion Date (disregarding any liability (other than a liability of the Trustee) to taxation or the payment of any capital, stamp, issue or registration duties consequent thereon) would be likely to exceed by 5 per cent or more the amount of redemption moneys and interest which would otherwise be payable in respect of such Unexercised Bonds.

Save as provided in Condition 8(d), no interest shall accrue from the Interest Payment Date immediately preceding the Conversion Date (or if such date falls before the first Interest Payment Date, since the Issue Date) in respect of such Unexercised Bonds in respect of which the Trustee's conversion election as aforesaid shall have been made.

All of the Ordinary Shares issued on such conversion and exchange shall be sold by, or on behalf of, the Trustee as soon as practicable, and (subject to any necessary consents being obtained and to the deduction by the Trustee of any amount which it determines to be payable in respect of its liability to taxation and the payment of any capital, stamp, issue or registration duties (if any) and any costs incurred by the Trustee in connection with the allotment and sale thereof) the net proceeds of sale together with accrued interest (if any) in respect of such Unexercised Bonds shall if not in US dollars be converted into US dollars in such manner and at such time and at such rates as the Trustee shall consider appropriate and shall be held by the Trustee and distributed rateably to the holders of such Unexercised Bonds in accordance with Condition 10 If the date fixed for redemption in respect of such Unexercised Bonds falls during a period commencing on an Interest Payment Date and ending on the date falling seven calendar days after such Interest Payment Date (both dates inclusive) a sum equal to the interest payable on that Interest Payment Date in respect of such Unexercised Bonds and which has been paid to the holders thereof will be deducted from the net proceeds of sale payable to the relevant holder and shall be paid to the Issuer. The amount of such net proceeds of sale payable to a holder of Unexercised Bonds pursuant to this Condition 8(c) shall be treated for all purposes as the full amount due from the Issuer in respect of the Unexercised Bonds

The Trustee shall have no liability in respect of the exercise or non exercise of its discretion pursuant to this Condition 8(c) or the timing of such exercise or, where relevant, in respect of any sale of Ordinary Shares or conversion of any amounts into US dollars, whether for the timing of any such sale or conversion or the price at which any such Ordinary Shares are sold or the rate at which any such amounts are converted into US dollars, or the inability to sell any such Ordinary Shares or make such conversion or otherwise

(d) *Interest on Conversion*

If any notice requiring the redemption of any Bonds is given pursuant to Condition 9(b) or 9(c) on or after the fifteenth London business day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Issue Date) (whether such notice is given before, on or after such record date) in respect of any dividend or distribution payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 calendar days after the Interest Payment Date next following such record date, interest shall accrue on Bonds in respect of which Conversion Rights shall have been exercised or in respect of which the Trustee shall have exercised its rights of conversion pursuant to Condition 8(c) and in any such case in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date, in each case from the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from the Issue Date) to such Conversion Date

Any such interest shall be paid by the Issuer not later than 14 calendar days after the relevant Conversion Date by US dollar cheque drawn on, or by transfer to, a US dollar account maintained with a branch of a bank in New York City in accordance with instructions given by the relevant Bondholder or, in the case of the exercise of such rights by the Trustee, the Trustee

(e) *Change of Control*

Following the occurrence of a Relevant Event the Issuer shall give written notice thereof to Bondholders in accordance with Condition 18 (which shall include notice of the Exchange Price applicable in consequence of the Relevant Event, as adjusted where appropriate under the provisions of the Articles of the Issuer) within 14 calendar days of the first day on which it becomes so aware, which notice shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions Upon any exercise of Conversion Rights within 60 calendar days following a Relevant Event or, if later, 60 calendar days following the date on which notice thereof is given, the Exchange Price shall be as set out in the Articles of the Issuer, but in each case adjusted, if appropriate, under the provisions of the Articles of the Issuer

(f) *Ordinary Shares*

(i) The Guarantor undertakes that it will procure that Ordinary Shares allotted on exchange for the Preference Shares will be fully paid and will rank *pari passu* in all respects with the fully paid Ordinary Shares in issue on the Conversion Date, except that the Ordinary Shares so allotted will not rank for any dividend or other distribution declared, paid or made by reference to a record date prior to such Conversion Date

(ii) Save as provided in Condition 8(d) no payment or adjustment shall be made on conversion for any interest which otherwise would have accrued on the relevant Bonds since the Interest Payment Date immediately preceding the Conversion Date relating to such Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Issue Date)

(g) *Preference Shares*

(i) Preference Shares allotted pursuant to these Conditions will be fully paid and will rank *pari passu* with all (if any) fully paid Preference Shares in issue on the Conversion Date

(ii) Preference Shares will be allotted prior to the allotment of the Ordinary Shares for which they are exchangeable and will be allotted as of the relevant Conversion Date and will be allotted (i) to the holder of the Bond completing the relevant Conversion Notice or (ii) to the Trustee or as the Trustee may direct (in the case of an exercise by the Trustee of its rights pursuant to Condition 8(c) and where Condition 7(b) applies)

9 Redemption and Purchase

(a) *No Fixed Redemption Date*

The Bonds are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 2 and without prejudice to the provisions of Condition 11) only have the right to repay them in accordance with the following provisions of this Condition 9

(b) *Redemption at the Option of the Issuer*

On giving not less than 30 nor more than 90 days' notice to the Trustee and the Bondholders in accordance with Condition 18, the Issuer

(i) may at any time on or after 10 July 2009, provided that the average of the middle market quotations of an Ordinary Share as derived from the Relevant Stock Exchange for each of the dealing days within the 30 day period ending on the fifth day prior to the date on which the relevant Share Settlement Option Notice is given to Bondholders (as provided below) shall have been at least 130 per cent of the average of the Exchange Price (as adjusted) in effect (or deemed to be in effect) on each such dealing day, redeem all, but not some only, of the Bonds for the time being outstanding by exercising its Share Settlement Option as described in Condition 9(g) To exercise its Share Settlement Option, the Issuer shall give a notice to such effect (the "Share Settlement Option Notice") to Bondholders in accordance with Condition 18, or

(ii) may at any time redeem all but not some only of the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption if, prior to the date of such notice, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) have been effected in respect of 85 per cent or more in principal amount of the Bonds originally issued, together with interest accrued to the date fixed for redemption, or

(iii) may at any time after the First Reset Date redeem all but not some only of the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption

For the purposes of the above, if on any dealing day in such 30 day period as mentioned above the Ordinary Shares shall have been quoted cum dividend then the middle market quotation on each dealing day on which the Ordinary Shares shall have been quoted "cum dividend" shall be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Ordinary Share (excluding any associated tax credit and less the tax (if any) falling to be deducted on payment thereof to a resident of the United Kingdom)

(c) *Redemption at the Option of the Bondholders*

Following the occurrence of a Relevant Event, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Relevant Event Put Date (as defined below) at its principal amount together with accrued interest To exercise such right, the holder of the relevant Bond must present such Bond at the specified office of the Registrar together with a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying, Transfer, Conversion and Exchange Agent or the Registrar ("Relevant Event Put Exercise Notice") by not later than 60 calendar days following a Relevant Event or, if later, 60 calendar days following the date upon which notice thereof is given to Bondholders by the Issuer or the Guarantor pursuant to Condition 8(e) and in accordance with Condition 18 The "Relevant Event Put Date" shall be the fourteenth calendar day after the expiry of such period of 60 calendar days as referred to above Payment in respect of any such Bond shall be made by transfer to a US dollar account with a branch of a bank in New York City specified in the applicable Relevant Event Put Exercise Notice A Relevant Event Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Relevant Event Put Exercise Notices delivered as aforesaid on the Relevant Event Put Date The Trustee shall not be required to take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred The Issuer shall give notice to Bondholders and the Trustee by not later than 14 calendar days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 9(c)

(d) *Purchase*

Subject to the requirements (if any) of the London Stock Exchange and the UK Listing Authority and any other stock exchange on which the Bonds may be listed at the relevant time, the Issuer or the Guarantor or any Subsidiary of the Issuer or the Guarantor or any holding company of the Issuer or the Guarantor (within the meaning of Section 736 of the Companies Act 1985) may at any time purchase Bonds in the open market or otherwise at any price and such Bonds may be retained for the account of the relevant purchaser or resold or otherwise dealt with at its discretion Any purchase by tender shall be made available to all Bondholders alike The Bonds so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary as holding company, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 15

(e) *Cancellation*

All Bonds redeemed or converted will be cancelled forthwith and may not be reissued or resold All Bonds purchased by or on behalf of the Issuer or the Guarantor may be surrendered for cancellation, by surrendering each such Bond to the Principal Paying, Transfer, Conversion and Exchange Agent and, if so surrendered, shall be cancelled forthwith (and may not be reissued or resold) and the obligations of the Issuer and the Guarantor in respect of any such Bonds shall be discharged

(f) *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 9, the first of such notices to be given shall prevail

(g) *Share Settlement Option*

Subject to the Ordinary Shares being of a class of share admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's market for listed

securities (or to any successor listing authority or other listing as the Trustee may approve) at the due date for redemption of a Bond, the Issuer may, in the circumstances referred to in Condition 9(b)(i) (but not otherwise), elect (the "Share Settlement Option") by delivery of a Share Settlement Option Notice in the manner described in Condition 9(b)(i), to effect redemption in respect of such Bonds by

(i) delivering one fully paid Preference Share allotted at a price equal to the Paid up Value for each US$1,000 principal amount of such Bond and procuring that such Preference Shares shall be exchanged immediately for such number of Ordinary Shares as is determined by dividing the Paid up Value of the relevant Preference Share (translated into pounds sterling at the fixed rate of US$1 6776 = £1 00) by the Exchange Price prevailing on the Valuation Date (as defined below) and delivering such Ordinary Shares (the "Redemption Settlement Shares") to the relevant Bondholder (or as the relevant Bondholder may direct in the Share Settlement Notice (as defined below)),

(ii) making payment of an amount (the "Cash Settlement Amount") equal to the amount (if any) by which the principal amount of such Bond exceeds the product of the Market Value (as defined below) of an Ordinary Share on the date (the "Valuation Date") falling three calendar days prior to the due date for redemption of such Bond multiplied by the whole number of Ordinary Shares deliverable in accordance with sub paragraph (g)(i) above in respect of such Bond, and

(iii) making payment in cash of any accrued and unpaid interest

As used above, the "Market Value" of an Ordinary Share on the Valuation Date shall mean the Current Market Price with the substitution in the definition thereof of (1) a reference to 20 consecutive dealing days for the reference therein to periods of five consecutive dealing days, (2) a reference to the said 20 calendar day period for the reference therein to the said five calendar day period and (3) a reference to volume weighted average for the reference therein to simple average of an Ordinary Share on the Valuation Date translated into US dollars at the US dollar/pounds sterling fixing exchange rate at noon appearing on or derived from Bloomberg on the Valuation Date or, if such rate is not available on such day, the rate determined as aforesaid on the previous day on which such rate is so available

If the Issuer elects to redeem the Bonds pursuant to Condition 9(b)(i) and to exercise the Share Settlement Option with respect to Bonds, the following provisions shall apply

(1) In order to obtain delivery of the relevant Redemption Settlement Shares, the relevant Bondholder must deliver to any Paying, Transfer, Conversion and Exchange Agent at least 10 Business Days in the relevant place of delivery prior to the relevant redemption date (the "Notice Cut off Date"), a duly completed notice substantially in the form set out in the Agency Agreement (the "Share Settlement Notice"), a copy of which may be obtained from the specified office of any Paying, Transfer, Conversion and Exchange Agent, together in each case with the relevant Bonds

(2) Subject as provided herein, the relevant Redemption Settlement Shares will be delivered in accordance with the instructions given in the Share Settlement Notice and the Cash Settlement Amount (if any) and any accrued and unpaid interest will be paid in accordance with Condition 10, in each case on the due date for redemption of such Bonds, provided the Share Settlement Notice and the relevant Bonds are delivered not later than the Notice Cut off Date

(3) If the Share Settlement Notice and relevant Bonds are not delivered to a Paying, Transfer, Conversion and Exchange Agent on or before the Notice Cut off Date, then the Cash Settlement Amount (if any) and any accrued and unpaid interest will be paid in accordance with Condition 10 on the due date for redemption of such Bonds and the relevant Redemption Settlement Shares will be delivered to the Trustee or as the Trustee may direct on such due date All of such Redemption Settlement Shares shall be sold by, or on behalf of, the Trustee as soon as practicable, and (subject to any necessary consents being obtained and to the deduction by the Trustee of any amount which it determines to be payable in respect of its liability to taxation and the payment of any capital, stamp issue or registration duties (if any) and any costs incurred by the Trustee in connection with the allotment and sale thereof) the net proceeds of sale shall, if not in US dollars, be converted

into US dollars in such manner and at such time and at such rates as the Trustee shall consider appropriate and shall be held by the Trustee and distributed rateably to the holders of the relevant Bonds in accordance with Condition 10 The amount of such net proceeds of sale payable to a holder pursuant to this sub paragraph (3) plus the Cash Settlement Amount (if any) and any accrued interest paid as aforesaid shall be treated for all purposes as the full amount due from the Issuer in respect of the relevant Bonds

(4) The Trustee shall have no liability in respect of the exercise or non exercise of any discretion pursuant to sub paragraph (3) above in respect of any sale of Redemption Settlement Shares or conversion of any amounts into US dollars, whether for the timing of any such sale or conversion or the price at which any such Redemption Settlement Shares are sold or the rate at which any such amounts are converted into US dollars, or the inability to sell any such Redemption Settlement Shares or make such conversion or otherwise

(5) Any Share Settlement Option Notice and any Share Settlement Notice shall be irrevocable Failure properly to complete and deliver a Share Settlement Notice and deliver the relevant Bonds may result in such notice being treated as null and void and the Issuer shall be entitled to effect settlement in accordance with sub paragraph (3) above Any determination as to whether such notice has been properly completed and delivered as provided in the Conditions shall be made by the Issuer in its sole and absolute discretion and shall be conclusive and binding on the relevant Bondholders

(6) Ordinary Shares to be delivered pursuant to this Condition 9(g) shall be deemed to be registered as of the due date for redemption of the relevant Bond

(7) A Bondholder or the Trustee must pay (in the case of the Trustee by means of deduction from the net proceeds of sale referred to in sub paragraph (3) above) any taxes and capital, stamp, issue and registration duties arising on the relevant delivery of Preference Shares or Ordinary Shares (other than any taxes or capital duties or stamp duties payable in Jersey or the United Kingdom by the Issuer or the Guarantor in respect of the allotment and issue of the Redemption Settlement Shares and the allotment, issue and exchange of the relative Preference Shares pursuant to this Condition 9(g), which shall be paid by the Issuer or the Guarantor, as the case may be (or in the case of the Issuer, by the Guarantor if the Issuer fails to do so)) and such Bondholder or the Trustee (as the case may be) must pay (in the case of the Trustee, by way of deduction from the net proceeds of sale as aforesaid) all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond or Preference Share by a Bondholder in connection with such redemption

(8) Neither the Preference Shares nor the Redemption Settlement Shares will be available for issue (i) to, or to a nominee for, Euroclear, Clearstream, Luxembourg, First Chicago Clearing Center or any other person providing a clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or (ii) to a person, or nominee or agent for a person, whose business is or includes issuing depositary receipts within the meaning of Section 93 of the Finance Act 1986 of the United Kingdom, in each case at any time prior to the "abolition day" as defined in Section 111(1) of the Finance Act 1990 of the United Kingdom

(9) Redemption Settlement Shares will be issued in uncertificated form through the dematerialised securities trading system generated by CRESTCo Limited, known as CREST, unless the holder of such beneficial interests elects to hold the Redemption Settlement Shares in certificated registered form or, at the time of issuance, the Ordinary Shares are not a participating security in CREST

(10) The Guarantor undertakes that it will procure that Redemption Settlement Shares will be fully paid and will rank *pari passu* in all respects with the fully paid Ordinary Shares in issue on the due date for redemption of the relevant Bond, except that the Ordinary Shares so allotted will not rank for any dividend or other distribution or grant of rights declared, paid or made by reference to a record date prior to such date

10 Payments

(a) *Principal*

Payments of principal or the net proceeds of any sale of Ordinary Shares pursuant to Condition 8(c) or any Cash Settlement Amount or accrued interest payable on a redemption of the Bonds pursuant to Condition 9(b) or 9(c) or on a repayment of the Bonds pursuant to Condition 11 other than on an Interest Payment Date will be made to the persons shown on the Register at close of business on the Record Date and subject to surrender of the Bonds at the specified office of the Registrar or any of the Paying, Transfer, Conversion and Exchange Agents

(b) *Interest and other Amounts*

(i) Payments of interest due on an Interest Payment Date will be made to the persons shown in the Register at close of business on the Record Date

(ii) Payments of all amounts other than as provided in Conditions 10(a) and (b)(i) will be made as provided in these Conditions

(c) *Record Date*

"Record Date" means the seventh London business day before the due date for the relevant payment

(d) *Payments*

Each payment in respect of the Bonds pursuant to Conditions 10(a) and (b)(i) will be made by United States dollar cheque drawn on a branch of a bank in New York City mailed to the holder of the relevant Bond at his address appearing in the Register However, upon application by the holder to the specified office of the Registrar or any Paying, Transfer, Conversion and Exchange Agent not less than 15 calendar days before the due date for any payment in respect of a Bond, such payment may be made by transfer to a United States dollar account maintained by the payee with a bank in New York City

Where payment is to be made by cheque, the cheque will be mailed, on the Payment business day (as defined below) preceding the due date for payment or, in the case of payments referred to in Condition 10(a), if later, on the Payment business day (as defined below) on which the relevant Bond is surrendered as specified in Condition 10(a) (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder)

(e) *Payments subject to fiscal laws*

All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 12 No commissions or expenses shall be charged to the Bondholders in respect of such payments

(f) *Paying, Transfer, Conversion and Exchange Agents*

The initial Paying, Transfer, Conversion and Exchange Agents and the Registrar and their initial specified offices are listed below The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying, Transfer, Conversion and Exchange Agent or the Registrar and appoint additional or other Paying, Transfer, Conversion and Exchange Agents or another Registrar, provided that they will maintain (i) a Principal Paying, Transfer, Conversion and Exchange Agent, (ii) Paying, Transfer, Conversion and Exchange Agents having specified offices in London (so long as the Bonds are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's market for listed securities) and New York City and (iii) maintain a Registrar with a specified office outside the United Kingdom Notice of any change in the Paying, Transfer, Conversion and Exchange Agents or Registrar or their specified offices will promptly be given to the Bondholders

(g) *Delay in payment*

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amounts due (i) as a result of the due date not being a Payment business day (as defined below), (ii) if the Bondholder is late in surrendering the relevant Bond or (iii) if a cheque mailed in accordance with this Condition arrives after the date for payment

(h) *Payment Business Days*

In this Condition, "Payment business day" means any day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in New York City and London and, in the case of presentation or surrender of a Bond, in the place of the specified office of the Registrar or relevant Paying, Transfer, Conversion and Exchange Agent, to whom the relevant Bond is presented or surrendered

11 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of the Bondholders shall, subject in each case to being indemnified to its satisfaction, (but, in the case of the happening of any of the events mentioned in sub paragraphs (b), (d), (e), (f) and (g) below, only if the Trustee shall have certified in writing to the Issuer that such events is, in its opinion, materially prejudicial to the interests of the Bondholders), give notice to the Issuer that the Bonds are, and they shall accordingly thereby forthwith become, immediately due and repayable at their principal amount together with accrued interest (as provided in the Trust Deed) if any of the following events (each an "Event of Default") shall have occurred (unless such Event of Default has been remedied to the satisfaction of the Trustee)

(a) if default is made for a period of 14 calendar days or more in the payment of any principal due in respect of the Bonds or any of them pursuant to Condition 9 or 21 calendar days or more in the payment of any interest due in respect of the Bonds or any of them (subject to Conditions 6 and 7), or

(b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Bonds or the Trust Deed and (except where the Trustee shall have certified to the Issuer or the Guarantor, as the case may be, in writing that it considers such failure to be incapable of remedy in which case no such notice or continuation as is hereinafter mentioned will be required) such failure continues for the period of 60 calendar days (or such longer period as the Trustee may in its absolute discretion permit) next following the service by the Trustee of notice on the Issuer or the Guarantor requiring the same to be remedied, or

(c) if any order made by any competent court or any resolution shall be passed for the winding up or dissolution of the Issuer or the Guarantor, save for the purpose of amalgamation merger, consolidation, reorganisation, reconstruction or other similar arrangement on terms previously approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed having regard to the interests of the Bondholders) or by an Extraordinary Resolution of the Bondholders, or

(d) if any order shall be made by any competent court or any resolution shall be passed for the winding up or dissolution of a Principal Subsidiary, save for the purposes of amalgamation, merger, consolidation, reorganisation, reconstruction or other similar arrangement (A) not involving or arising out of the insolvency of such Principal Subsidiary and under which all the surplus assets of such Principal Subsidiary are transferred to the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries (other than an Excluded Subsidiary) or (B) the terms of which have previously been approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed having regard to the interests of Bondholders) or by an Extraordinary Resolution of the Bondholders; or

(e) if the Issuer, the Guarantor or any Principal Subsidiary shall cease to carry on the whole or substantially the whole of its business (which, for the avoidance of doubt, is, in the case of the Guarantor, its operation as a holding company), save

(i) in each case for the purpose of amalgamation, merger, consolidation, reorganisation, reconstruction or other similar arrangement (A) not involving or arising out of the insolvency of the Issuer, the Guarantor or such Principal Subsidiary and under which all or substantially all of its assets are transferred to another member or members of the Group (other than an Excluded Subsidiary) or to a transferee or transferees which is or are, or immediately upon such transfer become(s), a member or members of the Group (other than an Excluded Subsidiary), or (B) the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Bondholders, or

(ii) in each case where there is a disposal of Scottish Power UK plc or a Principal Subsidiary or the business of any Principal Subsidiary under which all or substantially all of its assets are transferred to a third party or parties (whether associates or not) for full consideration, by the Issuer, the Guarantor or a member or members of the Group (other than an Excluded Subsidiary) on an arm's length basis,

provided that if neither the Guarantor nor any Subsidiary Undertaking holds a Relevant Licence, the Guarantor shall be deemed to have ceased to carry on the whole or substantially the whole of its business (and neither of exceptions (i)(A) or (ii) shall apply), or

(f) if the Issuer, the Guarantor or any Principal Subsidiary shall suspend or announce its intention to suspend payment of its debts generally or shall be declared or adjudicated by a competent court to be unable, or shall admit in writing its inability, to pay its debts generally (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986) as they fall due, or shall be adjudicated or found insolvent by a competent court or shall enter into any composition or other similar arrangement with its creditors generally under Section 1 of the Insolvency Act 1986, or

(g) if a receiver, administrative receiver, administrator or other similar official shall be appointed in relation to the Issuer, the Guarantor or any Principal Subsidiary or in relation to the whole or a substantial part of the undertaking or assets of any of them or a distress, execution or other process shall be levied or enforced upon or sued out against, or any encumbrancer shall take possession of, the whole or a substantial part of the assets of any of them and in any of the foregoing cases it or he shall not be paid out or discharged within 90 calendar days (or such longer period as the Trustee may in its absolute discretion permit), or

(h) the Bond Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect

For the purposes of sub paragraph (f) above, Section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for "£750" there was substituted "£500,000" Neither the Issuer, the Guarantor nor any Principal Subsidiary shall be deemed to be unable to pay its debts for the purposes of sub paragraph (f) above if any such demand as is mentioned in Section 123(1)(a) of the Insolvency Act 1986 is being contested in good faith by the Issuer or the relevant Principal Subsidiary with recourse to all appropriate measures and procedures or if any such demand is satisfied before the expiration of such period as may be stated in any notice given by the Trustee under this Condition

12 Taxation

All payments in respect of the Bonds and the Bond Guarantee will be made without withholding of or deduction for taxation unless the withholding or deduction is required by law, in which case the relevant payment will be made subject to such withholding or deduction Neither the Issuer nor the Guarantor will be required to pay any additional or further amounts in respect of such withholding or deduction.

13 Undertakings

(a) *Deed Poll*

Whilst any Bond remains outstanding, the Guarantor will, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders or the prior written approval of the Trustee where, in the Trustee's opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval or, in the case of an amendment to the Deed Poll, unless the modification is agreed by the Trustee as provided in Condition 15, perform all of its obligations under, and not make any amendment to, the Deed Poll

(b) *Undertakings of the Guarantor*

Whilst any Conversion Right remains exercisable or any Share Exchange Call remains to be satisfied, the Guarantor will, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) or with the approval of the Trustee where, in its opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval

(i) subject to Condition 7(d), at all times keep available for issue free from pre emptive rights out of its authorised but unissued capital such number of Ordinary Shares as would enable the obligation of the Issuer to procure that Preference Shares be exchanged for Ordinary Shares pursuant to the making of a Share Exchange Call and all rights of subscription and exchange for and conversion into Ordinary Shares to be satisfied in full and to take all actions necessary to effect the issue and allotment of Ordinary Shares at the times and in the manner set out in the Articles of the Issuer,

(ii) not issue or pay up any securities, in either case by way of capitalisation of profits or reserves, other than (i) by the issue of fully paid Ordinary Shares to the Shareholders and other holders of shares in the capital of the Guarantor which by their terms entitle the holders thereof to receive Ordinary Shares on a capitalisation of profits or reserves or (ii) by the issue of Ordinary Shares paid up in full out of profits or reserves (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash dividend or (iii) by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Guarantor which by their terms entitle the holders thereof to receive equity share capital (other than Ordinary Shares) on a capitalisation of profits or reserves, unless in any such case, the same gives rise (or would, but for the fact that the adjustment would be less than one per cent. of the Exchange Price then in effect, give rise) to an adjustment of the Exchange Price in accordance with the terms of the Articles of the Issuer,

(iii) not in any way modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than such rights but so that nothing in this Condition 13 (b)(iii) shall prevent (1) the issue of any equity share capital to employees (including directors holding executive office) whether of the Guarantor or any of its subsidiary or associated companies by virtue of their office or employment pursuant to any scheme or plan approved by the Guarantor in general meeting or which is established pursuant to such a scheme or plan which is or has been so approved, or (2) any consolidation or subdivision of the Ordinary Shares or the conversion of any Ordinary Shares into stock or vice versa or (3) any modification of such rights which is not determined by an Independent Financial Adviser to be materially prejudicial to the interests of the holders of the Bonds or (4) without prejudice to any rule of law or legislation (including regulations made under Section 207 of the Companies Act 1989 or any other provision of that or any other legislation), the conversion of Ordinary Shares into, or the issue of any Ordinary Shares in, uncertificated form (or the conversion of Ordinary Shares in uncertificated form into certificated form) or the amendment of the Articles of Association of the Guarantor to enable title to securities of the Guarantor (including Ordinary Shares) to be evidenced and transferred without a written instrument or any other alteration to the Articles of Association of the Guarantor made in connection with

the matters described in this Condition 13 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of securities, including Ordinary Shares, dealt with under such procedures) or (5) any issue of equity share capital where the issue of such equity share capital results or would, but for the fact that the adjustment would be less than one per cent of the Exchange Price then in effect or that the consideration per Ordinary Share receivable therefor (as described in the Articles of the Issuer) is at least 95 per cent of the Current Market Price per Ordinary Share otherwise result in an adjustment of the Exchange Price or (6) any issue of equity share capital or modification of rights attaching to the Ordinary Shares where prior thereto the Guarantor shall have instructed a firm of accountants or an independent investment bank of international repute in London (acting as experts) in each case selected by it and approved in writing by the Trustee to determine what (if any) adjustments should be made to the Exchange Price as being fair and reasonable to take account thereof and such firm of accountants or investment bank shall have determined in accordance with the Articles of the Issuer either that no adjustment is required or that an adjustment resulting in a reduction of the Exchange Price is required and, if so, the new Exchange Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly),

(iv) procure that no securities (whether issued by the Guarantor or any of its Subsidiaries or procured by the Guarantor or any of its Subsidiaries to be issued) issued without rights to convert into or exchange or subscribe for Ordinary Shares or purchase shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent of the Current Market Price per Ordinary Share at close of business on the last dealing day preceding the date of the announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the fact that the adjustment would be less than one per cent of the Exchange Price then in effect, give rise) to an adjustment of the Exchange Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights,

(v) not make any issue, grant or distribution or take any other action if the effect thereof would be that, on the conversion of Bonds, Ordinary Shares would (but for the provisions of the Articles of the Issuer) have to be issued at a discount or otherwise could not, under any applicable law then in effect, be legally issued as fully paid,

(vi) not reduce its issued share capital, share premium account or capital redemption reserve or any uncalled liability in respect thereof except (a) pursuant to the terms of issue of the relevant share capital or (b) by means of a purchase or redemption of share capital of the Guarantor to the extent permitted by applicable law or which would not constitute a Capital Distribution as permitted by Section 130(2) of the Companies Act 1985 or (c) a reduction of the share premium account to facilitate the writing off of goodwill arising on consolidation which requires the confirmation of the High Court and which does not involve the return, either directly or indirectly, of an amount standing to the credit of the share premium account of the Guarantor and in respect of which the Guarantor shall have tendered to the High Court such undertaking as it may require prohibiting, so long as any of the Bonds remains outstanding, the distribution (except by way of capitalisation issue) of any reserve which may arise in the books of the Guarantor as a result of such reduction or (d) where the reduction does not involve any distribution of assets and is effected by way of cancellation for the purposes of a scheme of arrangement pursuant to Section 425 of the Companies Act 1985 or (e) solely in relation to a change in the currency in which the nominal value of the Ordinary Shares is expressed or (f) by way of transfer of reserves as permitted under applicable laws and/or (g) where the reduction results in (or would, but for the fact that the adjustment would be less than one per cent of the Exchange Price then in effect, result in) an adjustment to the Exchange Price,

(vii) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associates of the offeror (as defined in Section 430E(4) of the Companies Act 1985 or any modification or re enactment thereof)) to acquire all or a majority of the issued ordinary share

capital of the Guarantor, or if any person proposes a scheme with regard to such acquisition, give notice of such offer or scheme to the Bondholders at the same time as any notice thereof is sent to its Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying, Transfer, Conversion and Exchange Agents and the Registrar and, where such an offer or scheme has been recommended by the Board of Directors of the Guarantor, or where such an offer has become or been declared unconditional in all respects, use its reasonable endeavours to procure that a like offer or scheme is extended to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of the exercise of the Conversion Rights and/or to the holders of the Bonds,

(viii) use all reasonable endeavours to ensure that the Ordinary Shares issued upon exchange of any Preference Shares will be admitted to the Relevant Stock Exchange and will be listed, quoted or dealt in on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in, and

(ix) be the beneficial owner of the nominal share capital of the Issuer

For the above purposes in relation to the Guarantor, "ordinary share capital" has the meaning ascribed to it in Section 832 of the Income and Corporation Taxes Act 1988 and "equity share capital" has the meaning ascribed to it in Section 744 of the Companies Act 1985

(c) *Undertakings of the Issuer and the Guarantor*

Whilst any Bond remains outstanding, the Issuer will, and the Guarantor will procure that the Issuer will, save with the approval of an Extraordinary Resolution or with the prior written approval of the Trustee where, in the Trustee's opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval

(i) comply with its obligations under the Articles of the Issuer and not make any amendment to the Articles of the Issuer which would vary, abrogate or modify the rights appertaining to the Preference Shares;

(ii) keep available for issue free from pre-emptive rights out of its authorised but unissued capital such number of Unclassified Shares as would enable all the unexercised Conversion Rights and any other rights of conversion into, subscription for and exchange into Preference Shares to be satisfied in full, and

(iii) not issue any other share capital with rights which are more favourable than the rights attaching to the Preference Shares as respects dividends or payment of the Paid up Value thereof or on a return of capital or otherwise,

provided that the creation or issue of any class of share capital ranking junior to or *pari passu* with the Preference Shares as respects rights to dividends and to payment of the Paid up Value thereof on a return of capital or otherwise shall be deemed not to be a variation, abrogation or modification of the rights appertaining to the Preference Shares

14 Prescription

Claims in respect of Bonds will become prescribed unless presented for payment as required by Condition 10 within 10 years (in the case of principal) and five years (in the case of interest), from the Relevant Date (as defined in Condition 23)

15 Meetings of Bondholders, Modification, Waiver and Substitution

(a) *Meetings*

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests including the modification by Extraordinary Resolution (as defined in the Trust Deed) of these Conditions or other provisions of the Trust Deed, the Deed Poll or the Articles of the Issuer (in the case of the Articles of the Issuer which would vary, abrogate or modify the

rights appertaining to the Preference Shares) The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned such meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, except that at any meeting the business of which includes the modification of certain of these Conditions, or certain provisions of the Trust Deed, the Deed Poll or the Articles of the Issuer (including, *inter alia*, those relating to status, conversion and exchange terms and the currency, amount (but not to increase such amount) and the due date of payment of redemption moneys and interest or other amount in respect of the Bonds), the quorum will be one or more persons holding or representing not less than two thirds, or at any adjourned such meeting not less than one third, in principal amount of the Bonds for the time being outstanding An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting

(b) *Modification and Waiver*

The Trustee may agree, without the consent of the Bondholders, to (i) any modification to these Conditions or to the provisions of the Trust Deed, the Deed Poll or the Articles of the Issuer (in the case of the Articles of the Issuer which would vary, abrogate or modify the rights appertaining to the Preference Shares) which in its opinion is of a formal, minor or technical nature or to correct a manifest or proven error or (ii) any other modification which in its opinion is not materially prejudicial to the interests of the Bondholders The Trustee may also agree without the consent of the Bondholders to the waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed, the Deed Poll or the Articles of the Issuer or of the terms and conditions of the Bonds which in its opinion is not materially prejudicial to the interests of the Bondholders The Trustee may also agree without the consent of the Bondholders that an Event of Default which in its opinion is not materially prejudicial to the interests of Bondholders should be treated as such For the avoidance of doubt, the consent of the Trustee or the Bondholders is not required for an alteration or modification of the Articles of the Issuer in respect of the rights appertaining to the Nominal Shares, provided that any such alteration or modification does not, or does not have the effect of, varying, abrogating or modifying the rights appertaining to the Preference Shares As used above, "Nominal Shares" has the meaning provided for in the Articles of the Issuer

(c) *Substitution of the Issuer*

The Trust Deed contains provisions permitting the Trustee (if it is satisfied that to do so would not be materially prejudicial to the interests of Bondholders) to agree, if requested by the Issuer and subject to such amendment of the Trust Deed and the Deed Poll and such other conditions as the Trustee may require, but without the consent of the Bondholders, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Bonds and as party to the Agency Agreement, subject to the Bonds remaining unconditionally and irrevocably guaranteed by the Guarantor as provided in these conditions and the Trust Deed and being convertible *mutatis mutandis* as provided in these Conditions into Preference Shares in the substituted company with like rights *mutatis mutandis* to the Preference Shares and to such Preference Shares being immediately exchangeable for Ordinary Shares *mutatis mutandis* as provided in the Articles of the Issuer and to the obligations of the Guarantor under the Deed Poll applying *mutatis mutandis* to such Preference Shares.

(d) *Notice to Bondholders*

Any such modification, waiver, authorisation or substitution shall be binding on all Bondholders and, unless the Trustee agrees otherwise, any such modification or substitution shall be notified to the Bondholders in accordance with Condition 18 as soon as practicable thereafter

(e) *Exercise of Powers etc*

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) the Trustee shall have regard to the interests of the Bondholders as a class and shall not

have regard to the consequences of such exercise for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim from the Issuer, the Guarantor or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders except to the extent provided for in Condition 12 and/or in any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed

16 Replacement of the Bonds

If any Bond is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying, Transfer, Conversion and Exchange Agent or the Registrar (or any other place of which notice shall have been given in accordance with Condition 18) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require Mutilated or defaced Bonds must be surrendered before any replacements will be issued

17 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified to its satisfaction The Trustee is entitled to enter into business transactions with the Guarantor, the Issuer or any of their respective Subsidiaries without accounting for any profit resulting therefrom The Trustee is trustee for the Bonds only and not the Preference Shares or Ordinary Shares and as such shall not at any time be responsible for the value, sufficiency or validity of any of the Preference Shares or Ordinary Shares or the Exchange Price The Trustee shall not be obliged to exercise any voting rights or any other related rights in respect of the Preference Shares or the Ordinary Shares issued to it pursuant to these Conditions and shall not be liable to anyone for failure to do so

The Trustee shall not be responsible for any loss occasioned by any delay in effecting the transfer of Payment Ordinary Shares to the Calculation Agent pursuant to Condition 7 or their subsequent sale and the conversion of the proceeds arising from such sale into US dollars by the Calculation Agent, including (but without limitation) the timing of any such sale or conversion or the price at which such Payment Ordinary Shares are sold or the rate at which any amounts are converted into US dollars, or the inability to sell any such Payment Ordinary Shares or make such conversion or otherwise

18 Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in London (expected to be the *Financial Times*) Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made

19 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Bondholders to create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the Bonds (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, subordination, conversion, premium, redemption and otherwise as the Issuer may determine at the time of their issue Any further notes, bonds or debentures forming a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes, bonds or debentures may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of notes, bonds or debentures of other series in certain circumstances where the Trustee so decides

20 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed and the Bonds, but it need not take any such proceedings unless (1) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-quarter in principal amount of the Bonds outstanding, and (2) it shall have been indemnified to its satisfaction No Bondholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing

21 Governing Law and Jurisdiction

(a) *Governing Law*

The Trust Deed and the Bonds are governed by, and shall be construed in accordance with, the laws of England

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with any Bonds ("Proceedings") may be brought in such courts The Issuer and the Guarantor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts

(c) *Service of Process*

Each of the Issuer and the Guarantor, in accordance with the Trust Deed, will appoint the Guarantor's London office, whose address is Fifth Floor, 30 Cannon Street, London EC4M 6XH, to act as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England

22 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999

23 Definitions

In these Conditions

"Agent's Spot Rate of Exchange" means the Calculation Agent's spot rate of exchange for the purchase of the relevant Optional Currency in the London foreign exchange market with US dollars at or about 11 00 a m on a particular day,

"Authorised Denominations" means US$1,000 and integral multiples thereof,

"Balance Sheet" means, at any time, the latest published audited consolidated balance sheet of the Group on a historic cost basis,

"Bondholder" and "holder" means the holders of the Bonds,

"Bonds" means the US$700,000,000 4 00 per cent Step up Perpetual Subordinated Guaranteed Convertible Bonds, and such expression shall include, unless the context otherwise requires, any further bonds issued pursuant to Condition 19 and forming a single series with the Bonds,

"Borrowings" means any indebtedness in respect of

(a) moneys borrowed and debit balances at banks and other financial institutions,

(b) any debt security including any bond, note or loan stock,

(c) any acceptance under any acceptance credit facility opened by a bank or other financial institution,

(d) the sale or discounting of receivables (except to the extent that such sale or discounting is on a non recourse basis);

(e) any lease which the Guarantor accounts for as a finance lease as such term is described in the Statement of Standard Accounting Practices No 21 (or any successor statement or financial reporting standard),

(f) any accrued fixed or minimum premium payable on the repayment or redemption of any instrument referred to in paragraph (b) above,

(g) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset, and

(h) any guarantee, indemnity and/or other form of assurance against financial loss by any member of the Group in respect of any indebtedness of any person of a type referred to in paragraphs (a) to (g) above

Any amount outstanding in a currency other than sterling is to be taken into account at its sterling equivalent calculated on the basis of the Calculation Agent's spot rate of exchange at 11 00 a m on the day the relevant amount falls to be calculated However, indebtedness owing by one member of the Group to another member of the Group shall not be taken into account as Borrowings and, for the purposes of calculating the amount of Borrowings at any time

(i) deep discount borrowings will be valued at the amount attributed to them in the then latest Balance Sheet, and

(ii) no item of indebtedness will be double counted by the inclusion of both the primary indebtedness and indebtedness arising under a guarantee, indemnity and/or other form of assurance with respect to that primary indebtedness,

"Calculation Agent" means UBS Limited as calculation agent in relation to the Bonds, or its successor or successors for the time being appointed under the Calculation Agency Agreement,

"Current Market Price" means, in respect of an Ordinary Share at a particular date, the average of the bid and offer quotations published by or derived from, the Relevant Stock Exchange for one Ordinary Share for the five consecutive dealing days ending on the dealing day immediately preceding such date, provided that if at any time during the said five day period the Ordinary Shares shall have been quoted ex dividend and during some other part of that period the Ordinary Shares shall have been quoted cum dividend then

(a) if the Ordinary Shares to be issued do not rank for the dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted cum dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Ordinary Share (excluding any associated tax credit and less the tax (if any) falling to be deducted on payment thereof to a resident of the United Kingdom),

(b) if the Ordinary Shares to be issued do rank for the dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted ex dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount,

and provided further that if the Ordinary Shares on each of the said five dealing days have been quoted cum dividend in respect of a dividend which has been declared or announced but the Ordinary Shares to be issued do not rank for that dividend the quotations on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Ordinary Share (excluding any associated tax credit and less the tax (if any) falling to be deducted on payment thereof to a resident of the United Kingdom),

"Day Count Fraction" means, in respect of each Interest Period after the First Reset Date, the actual number of days divided by 360,

"dealing day" means a day on which the Relevant Stock Exchange is open for business and Shares may be dealt in on the Relevant Stock Exchange,

a "Deferral Event" shall occur at any time if, (a) as at the last day of each financial year and each financial half year of the Guarantor, the ratio of Operating Profit for the preceding 12 months of the Group to Net Interest Payable for the same period is less than 1 75 to 1 or (b) in the three calendar months immediately preceding the relevant Payment Date, no dividend or distribution has been declared or paid and no payment of interest if any is due has been made on any class of share capital of the Guarantor or any other obligations which rank in a winding up of the Guarantor junior to the claims of the Bondholders;

"Distribution Licence" means the electricity distribution licence granted or treated as granted to SP Distribution plc (SC189125) under Section 6(1)(c) of the Electricity Act as modified and in force from time to time,

"Electricity Act" means the Electricity Act 1989 as amended or re enacted from time to time and all subordinate legislation made pursuant thereto,

"Excluded Subsidiary" means any Subsidiary of the Guarantor (other than the Issuer)

(a) which is a single purpose company whose principal assets and business are constituted by the ownership, acquisition, development and/or operation of an asset,

(b) none of whose indebtedness for borrowed money in respect of the financing of such ownership, acquisition, development and/or operation of an asset is subject to any recourse whatsoever to any member of the Group (other than such Subsidiary or another Excluded Subsidiary) in respect of the repayment thereof, except as expressly referred to in sub paragraph (ii) of the definition of Project Finance Indebtedness, and

(c) which has been designated as such by the Guarantor by written notice to the Trustee, provided that the Guarantor may give written notice to the Trustee at any time that any Excluded Subsidiary is no longer an Excluded Subsidiary, whereupon it shall cease to be an Excluded Subsidiary,

"First Reset Date" means 10 July 2011,

"Generation Licence" means the electricity generation licence granted or treated as granted to Scottish Power Generation plc (SC189124) under Section 6(1)(a) of the Electricity Act as modified and in force from time to time,

"Group" means the Guarantor and its Subsidiary Undertakings and "member of the Group" shall be construed accordingly,

"Guarantor" means Scottish Power plc,

"indebtedness for borrowed money" means any present or future indebtedness (whether principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit, or (iii) any notes, bonds, debentures, debenture

stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash,

"Independent Financial Adviser" means a financial adviser appointed by the Guarantor and approved in writing by the Trustee or, if the Guarantor shall not have appointed such an adviser within 21 calendar days after becoming aware of the need for such appointment hereunder and the Trustee is indemnified to its satisfaction against the costs, fees and expenses of such adviser, appointed by the Trustee following notification to the Guarantor,

"Interest Amount" means, in respect of a Bond, the amount of interest payable for the relevant Interest Period on such Bond in accordance with Condition 5,

"Interest Determination Date" means, in relation to each Reset Date, the second London business day prior to such Reset Date;

"Interest Payable" means, in respect of any financial period, all interest, discount and acceptance commission and all other continuing, regular or periodic costs, charges and expenses in the nature of interest (whether paid, payable or capitalised) or treated for accounting purposes as interest, incurred by the Group in effecting, servicing or maintaining Total Consolidated Borrowings during that period,

"Interest Payment" means, with respect to an Interest Payment Date, the aggregate Interest Amounts for the Interest Period ending on such Interest Payment Date,

"Interest Payment Date" means (i) in respect of the period from the Issue Date to (and including) the First Reset Date, 10 January and 10 July in each year, starting on 10 January 2004 and (ii) after the First Reset Date, 10 January, 10 April, 10 July and 10 October in each year, starting on 10 October 2011, provided that if any Interest Payment Date after the First Reset Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day in London and New York,

"Interest Period" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date,

"Interest Rate" has the meaning given to it in Condition 5(b),

"Interest Receivable" means, in respect of any financial period, interest and amounts in the nature of interest received during that period by the Group from persons outside the Group,

"Issue Date" means 10 July 2003, being the date of initial issue of the Bonds,

"Issuer" means Scottish Power Finance (Jersey) Limited,

"London business day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London,

"London Stock Exchange" means London Stock Exchange plc,

"Manweb Licence" means the electricity distribution licence granted or treated as granted to SP Manweb plc (2366937) under Section 6(1)(c) of the Electricity Act as modified and in force from time to time,

"Market Disruption Event" means (i) the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the London Stock Exchange or otherwise) or on settlement procedures for transactions in the Ordinary Shares on the London Stock Exchange if, in any such case, that suspension or limitation is in the determination of an Independent Financial Adviser, material in the context of the sale of the Ordinary Shares, or (ii) in the opinion of the Issuer, there has been a substantial deterioration in the price and/or value of the Ordinary Shares or circumstances are such as to prevent or to a material

extent restrict the issue or delivery of the Payment Preference Shares or Payment Ordinary Shares, as the case may be, or (iii) where, pursuant to these Conditions, monies are required to be converted from one currency into another currency in respect of any Payment, the occurrence of any event that makes it impracticable to effect such conversion,

"Net Interest Payable" means, in respect of any financial period, Interest Payable during that period less Interest Receivable during that period,

"NGC Transmission Licence" means the licence granted to The National Grid Company plc under Section 6(1)(b) of the Electricity Act,

"Operating Profit" means the consolidated net pre taxation profits (after adding back Net Interest Payable) of the Group for a financial year of the Group before taking account of any exceptional or extraordinary profits (or losses) and before charging goodwill amortisation,

"Optional Currency" means sterling, euros or any other currency (other than US dollars which is for the time being freely transferable and convertible into US dollars and deposits of which are readily available in the London interbank market,

"Ordinary Shares" means ordinary shares of the Guarantor, having on the Issue Date a nominal value of 50 pence each,

"Payment Ordinary Shares" has the meaning ascribed to it in Condition 7(b),

"Payment Preference Shares" has the meaning ascribed to it in Condition 7(b),

"Principal Subsidiary" at any time shall mean.

(A) any Relevant Subsidiary, or

(B) any Subsidiary of the Guarantor (not being an Excluded Subsidiary or any other Subsidiary of the Guarantor 90 per cent in principal amount of whose indebtedness for borrowed money is Project Finance Indebtedness)

  (i) whose (a) profits on ordinary activities before tax or (b) net assets represent 20 per cent or more of the consolidated profits on ordinary activities before tax of the Group or consolidated net assets of the Group respectively, in each case as calculated by reference to the then latest audited financial statements of such Subsidiary and the then latest audited consolidated financial statements of the Group, or

  (ii) to which is transferred all or substantially all of the business, undertaking and assets of a Subsidiary of the Guarantor which immediately prior to such transfer is a Principal Subsidiary, whereupon the transferor Subsidiary shall immediately cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary under the provisions of this sub paragraph (ii) (but without prejudice to the provisions of sub paragraph (i) above), upon publication of its next audited financial statements,

all as more fully defined in the Trust Deed

A report by two Directors of the Guarantor that, in their opinion, a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee and the Bondholders,

"Project Finance Indebtedness" means any present or future indebtedness incurred to finance the ownership, acquisition, development and/or operation of an asset, whether or not an asset of a member of the Group

(i) which is incurred by an Excluded Subsidiary, or

(ii) in respect of which the person or persons to whom any such indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group (other than an Excluded Subsidiary) for the repayment thereof other than

(A) recourse for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset, and/or

(B) recourse for the purpose only of enabling amounts to be claimed in respect of such indebtedness in an enforcement of any encumbrance given by such borrower over such asset or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure such indebtedness, provided that (aa) the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement and (bb) such person or persons is/are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding up or dissolution of any member of the Group (other than an Excluded Subsidiary) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of any member of the Group (other than an Excluded Subsidiary) or any of its assets (save for the assets the subject of such encumbrance), and/or

(C) recourse under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof or any obligation to comply or to procure compliance by another with any financial ratios or other tests of financial condition) by any member of the Group (other than an Excluded Subsidiary),

"Relevant Date" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in New York City by the Principal Paying, Transfer, Conversion and Exchange Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders Any reference in these Conditions to principal, premium and/or interest shall be deemed to include any Additional Amounts or any undertaking given in addition to or substitution for it under the Trust Deed,

"Relevant Event" means an offer made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associate of the offeror (as defined in Section 430E(4) of the Companies Act 1985 or any modification or re-enactment thereof)), to acquire the whole or any part of the issued ordinary share capital of the Guarantor or if any person proposes a scheme with regard to such acquisition and (such offer or scheme having become or been declared unconditional in all respects) the Guarantor becomes aware that the right to cast more than 50 per cent of the votes which may ordinarily be cast on a poll at a general meeting of the Guarantor has or will become unconditionally vested in the offeror and/or such associates,

"Relevant Licence" means the Generation Licence, the Transmission Licence, the Distribution Licence, the Manweb Licence or the Supply Licence or, in any such case, and from time to time, any other licence or licences relating to the transmission, distribution or supply of electricity in the United Kingdom granted to the Guarantor and/or any Relevant Subsidiary and "Relevant Licence" shall be construed accordingly,

"Relevant Subsidiary" means a member of the Group that holds a Relevant Licence,

"Reset Date" means the First Reset Date and thereafter each Interest Payment Date;

"Reset Period" means the period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date,

Senior Creditors" means creditors of the Guarantor (a) who are unsubordinated creditors of the Guarantor, (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding up of the Guarantor or otherwise) to the claims of depositors and other unsubordinated creditors of the Guarantor but not further or otherwise, (c) whose claims are in respect of any dated subordinated debt of the Guarantor, or (d) whose claims are, or are expressed to be, subordinated to the claims of other creditors whether subordinated or unsubordinated of the Guarantor other than those whose claims rank, or are expressed to rank, *pari passu* with the Bond Guarantee, or junior to such Bond Guarantee,

"Share Exchange Call" shall have the meaning given to it in the Articles of the Issuer,

"Shareholders" means the holders at any given time of Ordinary Shares,

"Subsidiary" and "Holding Company" have the meanings ascribed to them under Section 736 of the Companies Act 1985,

"Subsidiary Undertaking" shall have the meaning given to it by Section 258 of the Companies Act 1985 (but, in relation to the Guarantor, shall exclude any undertaking (as defined in the Companies Act 1985) whose accounts are not included in the then latest published audited consolidated accounts of the Guarantor, or (in the case of an undertaking which has first become a subsidiary undertaking of a member of the Group since the date as at which any such audited accounts were prepared) would not have been so included or consolidated if it has become so on or before that date),

"Supply Licence" means the electricity supply licence granted or treated as granted to Scottish Power Energy Retail Limited (SC190287) under Section 6(1)(d) of the Electricity Act as modified and in force from time to time,

"Total Consolidated Borrowings" means, at any time, the aggregate principal amount (or amounts equivalent to principal, howsoever described) comprised in the Borrowings of the Guarantor and its Subsidiaries at that time calculated on a consolidated basis Any amount outstanding in a currency other than sterling is to be taken into account at its sterling equivalent calculated on the basis of the Agent's Spot Rate of Exchange on the day the relevant amount falls to be calculated,

"Transmission Licence" means the electricity transmission licence granted or treated as granted to SP Transmission plc (SC189126) under Section 6(1)(b) of the Electricity Act as modified and in force from time to time,

"UK Listing Authority" means the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000, and

"Unclassified Shares" means unclassified shares in the share capital of the Issuer

For the purposes of Conditions 8 and 13 only, (a) references to the "issue" of Ordinary Shares shall include the transfer and/or delivery of Ordinary Shares by the Guarantor or any of its Subsidiaries, whether newly issued and allotted or previously existing, and (b) Ordinary Shares held by the Guarantor or any of its Subsidiaries shall not be considered as or treated as "in issue"

ISIN [XS0171198727][1]
[XS0171162075][2]

SCHEDULE 3
Form of Global Bonds

SCOTTISH POWER FINANCE (JERSEY) LIMITED

(incorporated with limited liability in Jersey with registered number 85627)

U.S.$700,000,000 4.00 per cent Step-Up Perpetual Subordinated Guaranteed Convertible Bonds (the "Bonds")

guaranteed by

SCOTTISH POWER PLC

(incorporated with limited liability in Scotland with registered number 193794)

and convertible into 4.00 per cent. Exchangeable Redeemable Preference Shares in Scottish Power Finance (Jersey) Limited which will be exchanged immediately for Ordinary Shares in

SCOTTISH POWER PLC

[RULE 144A][1]/[REGULATION S][2] GLOBAL BOND

[THIS BOND, THE GUARANTEE IN RESPECT HEREOF, AND THE ORDINARY SHARES TO BE ISSUED UPON EXCHANGE OF THE PREFERENCE SHARES ON CONVERSION OF THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER WILL BE REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THIS BOND OR THE PREFERENCE SHARES ISSUED UPON CONVERSION OF THE BONDS OR THE ORDINARY SHARES FOR WHICH THE PREFERENCE SHARES ARE EXCHANGEABLE OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS BOND. THE BOND

[1] This language shall be borne by the Rule 144A Global Bond.

[2] This language shall be borne by the Regulation S Global Bond

GUARANTEE OR THE PREFERENCE SHARES ISSUED UPON CONVERSION OF THE BONDS OR THE ORDINARY SHARES FOR WHICH THE PREFERENCE SHARES ARE EXCHANGEABLE

THE ORDINARY SHARES ISSUED ON EXCHANGE OF THE PREFERENCE SHARES INTO WHICH THIS BOND IS CONVERTIBLE MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY FACILITY ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK, UNLESS AND UNTIL THE TIME AS SUCH ORDINARY SHARES ARE NO LONGER "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144(A)(3) UNDER THE SECURITIES ACT][1]

[THIS BOND, THE GUARANTEE IN RESPECT HEREOF, AND THE ORDINARY SHARES TO BE ISSUED UPON THE EXCHANGE OF THE PREFERENCE SHARES ON CONVERSION OF THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES, AND PRIOR TO THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF BONDS AND THE CLOSING DATE (THE "DISTRIBUTION COMPLIANCE PERIOD"), SUCH BONDS MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES][2]

The Bonds of Scottish Power Finance (Jersey) Limited (the **"Issuer"**) in respect of which this Global Bond is issued form part of a series designated as specified in the title The Bonds are guaranteed by Scottish Power plc (the **"Guarantor"**)

The Issuer hereby certifies that Citivic Nominees Limited is, at the date hereof, entered in the register of Bondholders as the holder of Bonds in the principal amount of

U S $[•],000,000

([•] U S dollars)

The Bonds are constituted by a Trust Deed dated 10 July 2003 (the **"Trust Deed"**) between the Issuer, the Guarantor and The Law Debenture Trust Corporation p l c as trustee (the **"Trustee"**) and are subject to the Trust Deed and the terms and conditions (the **"Conditions"**) set out in Schedule 2 to the Trust Deed as modified by the provisions of this Global Bond Terms used in the Trust Deed have the same meaning herein

The aggregate principal amount from time to time of this Global Bond shall be that amount as shall be shown by the latest entry in the fourth column of Schedule A hereto, which shall be completed

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[1] This language shall be borne by the Rule 144A Global Bond

[2] This language shall be borne by the Regulation S Global Bond

by or on behalf of the Principal Paying, Transfer, Conversion and Exchange Agent upon the redemption or conversion and exchange of the Bonds into ordinary shares of the Guarantor ("**Ordinary Shares**") or the purchase and cancellation of Bonds represented hereby or the exchange for definitive Bonds as described below or the exchange of an interest herein for an interest in the [Regulation S Global Bond][1] [Rule 144A Global Bond][2]

The Bonds in respect of which this Global Bond is issued are convertible into 4 00 per cent exchangeable redeemable preference shares in the Issuer which will be exchanged immediately for Ordinary Shares subject to and in accordance with the Conditions and the Trust Deed

Except as otherwise described herein, this Global Bond is issued subject to and with the benefit of the Conditions and the Trust Deed

Exchange for Definitive Bonds

This Global Bond is exchangeable in whole but not in part (free of charge to the holder) for definitive Bonds in registered form following the occurrence of an Exchange Event An Exchange Event shall have occurred if (i) Euroclear or Clearstream, Luxembourg (or any alternative clearing system on behalf of which this Global Bond may be held) is closed for business for a continuous period of 14 calendar days or more (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so or (ii) the Trustee gives written notice to the Guarantor pursuant to Condition 11 that the Bonds are due and payable Definitive Bonds issued in exchange for beneficial interests in this Global Bond will by not later than the Global Exchange Date be issued to and delivered to such persons or registered in such name or names, as the case may be, as the holder of this Global Bond shall instruct the Registrar or the Principal Paying, Transfer, Conversion and Exchange Agent

"**Global Exchange Date**" means a day falling not later than 30 days after that on which the notice requiring exchange is given or, as the case may be, the occurrence of an Exchange Event and on which banks are open for business in the city in which the specified office of the Registrar is located

In connection with an exchange following the occurrence of an Exchange Event, a person having an interest in this Global Bond must provide the Registrar with (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver the relevant definitive Bonds and (ii) a fully completed, signed certification substantially to the effect that person is not transferring its interest at the time of such exchange

The statements set forth in the legend below are an integral part of the Bonds in respect of which this Bond is issued and by acceptance hereof each holder of such Bond agrees to be subject to and bound by the terms and provisions set forth in such legend

[For so long as any of the Bonds, the Guarantee, Preference Shares or Ordinary Shares, are "restricted securities" within the meaning of Rule 144(a)(3) under the U S Securities Act of 1933, as amended (the "**Securities Act**"), the Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the U S Securities Exchange Act of 1934, as amended (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3 2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, or to the Trustee, in the case of the Bonds, for delivery to such holder, beneficial owner or prospective purchaser, in each case,

upon request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act][1]

Transfers

Transfers of interests in this Global Bond for an interest in the [Regulation S Global Bond][1][Rule 144A Global Bond at any time on or prior to the end of the applicable distribution compliance period under Regulation S under the Securities Act][2] will only be made upon presentation of a certificate as provided in the Agency Agreement

Trustee's Powers

In considering the interests of beneficial owners of interests in this Global Bond in circumstances where this Global Bond is held on behalf of any one or more of Euroclear, Clearstream, Luxembourg and any other clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with respect to such beneficial interests in this Global Bond and (b) consider such interests on the basis that such accountholders were the holder of this Global Bond

This Global Bond shall not be valid or become obligatory for any purpose until authenticated by or on behalf of the Principal Paying, Transfer, Conversion and Exchange Agent

This Global Bond shall be governed by, and construed in accordance with, English law

In witness whereof the Issuer has caused this Global Bond to be signed on its behalf by a duly authorised signatory

Dated 10 July 2003

SCOTTISH POWER FINANCE (JERSEY) LIMITED

By

This Global Bond is authenticated by or on behalf of the Registrar without recourse, warranty or liability

By

Authorised Signatory

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[1] This language shall be borne by the Rule 144A Global Bond

[2] This language shall be borne by the Regulation S Global Bond

SCHEDULE A

Principal Amount of this Global Bond

Date	Reason for change in the principal amount of this Global Bond[1]	Amount of such change	Principal amount of this Global Bond following such change	Notation made by or on behalf of the Principal Paying Transfer, Conversion and Exchange Agent

[1] State whether change following (1) redemption of Bonds or (2) conversion of Bonds or (3) purchase and cancellation of Bonds or (4) exchange for interests in this Global Bond or (5) exchange for interests in the [Regulation S] [Rule 144A] Global Bond or for Registered Bonds

SCHEDULE B

Interest Payments in respect of this Global Bond

The following payments of interest in respect of this Global Bond and the Bonds represented by this Global Bond have been made

Date	Amount of Interest due and payable	Amount of interest paid	Notation made by or on behalf of the Principal Paying, Transfer, Conversion and Exchange Agent

SCHEDULE 4
Provisions for Meetings of Bondholders

Interpretation

1 In this Schedule the following expressions have the following meanings

1.1 **"voting certificate"** means a certificate in the English language issued by a Paying, Transfer, Conversion and Exchange Agent and dated in which it is stated

1 1 1 that on that date Bonds (not being Bonds in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjournment of such meeting) bearing specified serial numbers were held to the order of such Paying, Transfer, Conversion and Exchange Agent (to its satisfaction) and that such Bonds will not be released until the earlier of

(a) the conclusion of the meeting specified in such certificate or any adjournment of it, and

(b) the surrender of the voting certificate to the Paying, Transfer, Conversion and Exchange Agent which issued it, and

1 1 2 that its bearer is entitled to attend and vote at such meeting or any adjournment of it in respect of the Bonds represented by such voting certificate,

1.2 **"block voting instruction"** means a document in the English language issued by a Paying, Transfer, Conversion and Exchange Agent and dated in which

1 2 1 it is certified that Bonds (not being Bonds in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction or any adjournment of it) are held to the order of such Paying, Transfer, Conversion and Exchange Agent (or to its order at a bank or other satisfaction) and that such Bonds will not be released until the earlier of

(i) the conclusion of the meeting specified in such document or any adjournment of it, and

(ii) the surrender, not less than 48 hours before the time fixed for such meeting or adjournment, of the receipt for each such deposited Bond which is to be released to the Paying, Transfer, Conversion and Exchange Agent which issued it and the notification of such surrender by such Paying, Transfer, Conversion and Exchange Agent to the Issuer,

1 2 2 it is certified that each depositor of such Bonds or a duly authorised agent on his behalf has instructed such Paying, Transfer, Conversion and Exchange Agent that the votes attributable to his Bonds so deposited should be cast in a particular way in relation to the resolution to be put to such meeting or any adjournment of it and that all such instructions are, during the period of 48 hours before the time fixed for such meeting or adjourned meeting, neither revocable nor subject to amendment,

1 2 3 the total numbers and the serial numbers of the Bonds so deposited are listed, distinguishing with regard to each such resolution between those in respect of which instructions have been so given (i) to vote for, and (ii) to vote against, the resolution, and

1.2.4 any person named in such document as a proxy is authorised and instructed by such Paying, Transfer, Conversion and Exchange Agent to vote in respect of the Bonds so listed in accordance with the instructions referred to in paragraph 1 2 3 above as set out in such document

2

2 1 A holder of a Bond may obtain a voting certificate from a Paying, Transfer, Conversion and Exchange Agent or require a Paying, Transfer, Conversion and Exchange Agent to issue a block voting instruction by depositing his Bond with such Paying, Transfer, Conversion and Exchange Agent not later than 48 hours before the time fixed for any meeting Voting certificates and block voting instructions shall be valid until the relevant Bonds are released pursuant to paragraph 1 and until then the holder of any such voting certificate or (as the case may be) the proxy named in any such block voting instruction shall, for all purposes in connection with any meeting or proposed meeting of Bondholders, be deemed to be the holder of the Bonds to which such voting certificate or block voting instruction relates and the Paying, Transfer, Conversion and Exchange Agent with which (or to the order of which) such Bonds have been deposited shall be deemed for such purposes not to be the holder of those Bonds

2 2 A holder of a Bond in registered form may by an instrument in writing in the form available from any Agent in English signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to any Paying, Transfer, Conversion and Exchange Agent not later than 48 hours before the time fixed for any meeting, appoint any person as a proxy to act on his or its behalf in connection with any meeting or proposed meeting of Bondholders

2.3 A holder of a Bond in registered form which is a corporation may, by delivering to any Paying, Transfer, Conversion and Exchange Agent not later than 48 hours before the time fixed for any meeting a resolution in English of its directors or other governing body, authorise any person to act as its representative (a **"representative"**) in connection with any meeting or proposed meeting of Bondholders

2 4 A proxy or representative so appointed shall so long as such appointment remains in force be deemed, for all purposes in connection with any meeting or proposed meeting of Bondholders specified in such appointment, to be the holder of the Bonds to which such appointment relates and the holder of the Bonds shall be deemed for such purposes not to be the holder

3 Each of the Issuer, the Guarantor and the Trustee at any time may, and the Trustee (subject to its being indemnified to its satisfaction against all costs and expenses thereby occasioned) upon a request in writing of Bondholders holding not less than one tenth in principal amount of the Bonds for the time being outstanding shall, convene a meeting of Bondholders Whenever any such party is about to convene any such meeting it shall forthwith give notice in writing to each other party of the day, time and place of the meeting and of the nature of the business to be transacted at it Every such meeting shall be held at such time and place as the Trustee may approve

4 At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the day, time and place of meeting shall be given to the Bondholders A copy of the notice shall in all cases be given by the party convening the

meeting to each of the other parties Such notice shall also specify, unless in any particular case the Trustee otherwise agrees, the nature of the resolutions to be proposed

5 A person (who may, but need not, be a Bondholder) nominated in writing by the Trustee may take the chair at every such meeting but if no such nomination is made or if at any meeting the person nominated shall not be present within 15 minutes after the time fixed for the meeting the Bondholders present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting

6 At any such meeting any one or more persons present in person holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one tenth in principal amount of the Bonds for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present in person holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate a clear majority in principal amount of the Bonds for the time being outstanding provided that at any meeting the business of which includes any of the matters specified in the proviso to paragraph 19 the quorum shall be one or more persons present in person holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two thirds in principal amount of the Bonds for the time being outstanding

7 If within 15 minutes from the time fixed for any such meeting a quorum is not present the meeting shall, if convened upon the requisition of Bondholders, be dissolved In any other case it shall stand adjourned (unless the Issuer, the Guarantor and the Trustee agree that it be dissolved) for such period, not being less than 13 days nor more than 42 days, and to such place, as may be decided by the chairman At such adjourned meeting one or more persons present in person holding Bonds or voting certificates or being proxies or representatives (whatever the principal amount of the Bonds so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting provided that at any adjourned meeting at which is to be proposed an Extraordinary Resolution for the purpose of effecting any of the modifications specified in the proviso to paragraph 19 the quorum shall be one or more persons so present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one third in principal amount of the Bonds for the time being outstanding

8 The chairman may with the consent of (and shall if directed by) any meeting adjourn such meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place

9 At least 10 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at such adjourned meeting It shall not, however, otherwise be necessary to give any notice of an adjourned meeting

10 Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) which he may have as a Bondholder or as a holder of a voting certificate or as a proxy or representative

11 At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Issuer, the Guarantor, the Trustee or by one or more persons holding one or more Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one fiftieth in principal amount of the Bonds for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution

12 If at any meeting a poll is so demanded, it shall be taken in such manner and (subject as provided below) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded

13 Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment

14 The Issuer, the Guarantor and the Trustee (through their respective representatives) and their respective financial and legal advisers may attend and speak at any meeting of Bondholders No one else may attend at any meeting of Bondholders or join with others in requesting the convening of such a meeting unless he is the holder of a Bond or a voting certificate or is a proxy or a representative

15 At any meeting on a show of hands every person who is present in person and who produces a Bond or voting certificate or is a proxy or a representative shall have one vote and on a poll every person who is so present shall have one vote in respect of each U S $1,000 or, in the case of meetings of holders of Bonds denominated in another currency, as the Trustee in its absolute discretion may decide) in principal amount of the Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or a representative Without prejudice to the obligations of proxies named in any block voting instruction, any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way

16 The proxy named in any block voting instruction need not be a Bondholder

17 Each block voting instruction shall be deposited at the registered office of the Guarantor or at such other place as the Trustee shall designate or approve, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxy named in the block voting instruction proposes to vote, and in default the block voting instruction shall not be treated as valid unless the chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business A certified copy of each such block voting instruction and satisfactory proof (if applicable) shall if required by the Trustee be produced by the proxy at the meeting or adjourned meeting but the Trustee shall not thereby be obliged to investigate or be concerned with the validity of, or the authority of, the proxy named in any such block voting instruction

18 Any vote given in accordance with the terms of a block voting instruction shall be valid even if the block voting instruction or any of the Bondholders' instructions pursuant to which it was executed has been previously revoked or amended, provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying, Transfer, Conversion and Exchange Agent by the Guarantor or the Trustee at its registered office or by the chairman of the meeting in each case not less than 24 hours before the time fixed for the meeting or adjourned meeting at which the block voting instruction is used

19 A meeting of Bondholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Trust Deed, have power exercisable by Extraordinary Resolution

19.1 to sanction any proposal by the Issuer, the Guarantor or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer or the Guarantor or against any of its property whether such rights shall arise under this Trust Deed, the Deed Poll, the Articles of the Issuer or otherwise,

19 2 to sanction any scheme or proposal for the exchange, substitution or sale of the Bonds for, or the conversion of the Bonds into, or the cancellation of the Bonds in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or the Guarantor or any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash,

19.3 to assent to any modification of this Trust Deed, the Conditions, the Deed Poll, the Articles of the Issuer that relate to the rights appertaining to the Bonds which shall be proposed by the Issuer, the Guarantor or the Trustee and (for the avoidance of doubt) no meeting of Bondholders shall be required to be convened to consider, or Extraordinary Resolution passed in respect of, the amendment of the Articles of the Issuer so as to alter or modify the rights appertaining to the Nominal Shares (as defined in the Articles of the Issuer) provided that any such alteration or modification does not, or does not have the effect of varying, abrogating or modifying the rights appertaining to the Preference Shares,

19.4 to authorise anyone to concur in and do all such things as may be necessary to carry out and to give any authority, direction or sanction which under this Trust Deed or the Bonds is required to be given by Extraordinary Resolution,

19.5 to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer upon such committee or committees any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution,

19 6 to approve a person proposed to be appointed as a new Trustee and to remove any Trustee,

19 7 to approve the substitution of any entity for the Issuer or the Guarantor (or any previous substitute) as principal debtor or guarantor under this Trust Deed, and

19.8 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Bonds,

provided that the special quorum provisions contained in the proviso to paragraph 6 and, in the case of an adjourned meeting, in the proviso to paragraph 7 shall apply in relation to any Extraordinary Resolution for the purpose of paragraph 19 2 or 19 7 or for the purpose of making any modification to the provisions contained in this Trust Deed, the Deed Poll, the Articles of the Issuer (same as provided above) or the Bonds which would have the effect of

19 8 1 modifying the status, conversion and exchange terms in respect of the Bonds and the Preference Shares respectively,

19 8 2 reducing or cancelling the principal amount of, or interest on, or other amounts in respect of or reducing the rate of interest on, the Bonds, or

19 8 3 changing the currency of payment of the Bonds or the due date or dates for any payment in respect of the Bonds, or

19 8 4 modifying the provisions contained in this Schedule concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution,

19 8 5 modifying the terms of the Bond Guarantee, or

19 8 6 amending this proviso

20 An Extraordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with this Trust Deed shall be binding upon all the Bondholders, whether or not present at such meeting and whether or not they vote in favour, and each of the Bondholders shall be bound to give effect to it accordingly The passing of any such resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it

21 The expression **"Extraordinary Resolution"** means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than three quarters of the votes cast

22 Minutes of all resolutions and proceedings at every such meeting shall be made and entered in the books to be from time to time provided for that purpose by the Issuer or the Trustee and any such minutes, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of Bondholders, shall be conclusive evidence of the matters contained in them and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted

23 Subject to all other provisions contained in this Trust Deed the Trustee may without the consent of the Bondholders prescribe such further regulations regarding the holding of meetings of Bondholders and attendance and voting at them as the Trustee may in its sole discretion determine including particularly (but without prejudice to the generality of the foregoing) such regulations and requirements as the Trustee thinks reasonable

23.1 so as to satisfy itself that persons who purport to requisition a meeting in accordance with paragraph 3 or who purport to make any requisition to the Trustee in accordance with this Trust Deed are in fact Bondholders, and

23.2 as to the form of voting certificates or block voting instructions to be issued pursuant to paragraph 1 so as to satisfy itself that persons who purport to attend or vote at any meeting of Bondholders are entitled to do so in accordance with this Trust Deed

24 If and whenever the Issuer shall have issued and have outstanding any Bonds which are not identical and do not form one single series then those Bonds which are in all respects identical shall be deemed to constitute a separate series of the Bonds and the oregoing provisions of this Schedule shall have effect subject to the following modifications

24 1 a resolution which in the opinion of the Trustee affects one series only of the Bonds shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Bonds of that series,

24.2 a resolution which in the opinion of the Trustee affects more than one series of the Bonds but does not give rise to a conflict of interest between the holders of Bonds of any of the series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Bonds of all the series so affected,

24 3 a resolution which in the opinion of the Trustee affects more than one series of the Bonds and gives or may give rise to a conflict of interest between the holders of the Bonds of any of the series so affected shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the holders of the Bonds of each series so affected, and

24 4 to all such meetings as aforesaid all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Bonds and holders were references to the Bonds of the series or group of series in question and to the holders of such Bonds respectively

24.5 If the Issuer shall have issued and have outstanding (a) Bonds which are not denominated in United States dollars or (b) more than one series of Bonds denominated in United States dollars but in differing denominations, the following provisions shall apply In the case of any meeting of holders of Bonds of more than one currency the principal amount of such Bonds not denominated in United States dollars shall (i) for the purposes of paragraph 3 above be the equivalent in United States dollars at the spot rate of a bank nominated by the Trustee for the conversion of the relevant currency or currencies into United States dollars on the seventh dealing day prior to the day on which the request in writing is received by the Trustee and (ii) for the purposes of paragraphs 6, 7, 11 and 15 above (whether in respect of the meeting, or any adjourned such meeting or any poll resulting therefrom) be the equivalent in United States dollars at such spot rate on the seventh dealing day (as defined above) prior to the day of such meeting or, if applicable, the taking of such poll In such circumstances, and where separate series of Bonds denominated in United States dollars but of different denominations are to be treated together for the purposes of this Schedule, on any poll each person present shall have one vote for every complete one United States dollar of Bonds (converted as above) which he holds

25 Nothing in this Trust Deed shall prevent any of the proxies named in any block voting instruction or form of proxy from being a director, managing director, officer or representative of, or otherwise connected with, the Issuer, the Guarantor or any of its other Subsidiaries

26 References in this Schedule to Agents shall, where the context requires, be taken to be references to Paying, Transfer, Conversion and Exchange Agents

In witness where this Trust Deed has been executed and delivered as a deed by the Issuer, the Guarantor and the Trustee on the date stated at the beginning

SCOTTISH POWER FINANCE (JERSEY) LIMITED

Director

SCOTTISH POWER PLC

Director

Director/Secretary

THE COMMON SEAL of
THE LAW DEBENTURE TRUST CORPORATION p l.c.
was hereunto affixed in the presence of

Director

Director/Authorised Signatory

CONFORMED COPY

Dated 10 July 2003

SCOTTISH POWER PLC

DEED POLL

SCOTTISH POWER FINANCE (JERSEY) LIMITED
U S $700,000,000
4 00 per cent. Step-up Perpetual Subordinated Guaranteed Convertible Bonds
(the "Bonds")
Guaranteed by
SCOTTISH POWER PLC
and convertible into fully paid 4.00 per cent
Exchangeable Redeemable Preference Shares in
SCOTTISH POWER FINANCE (JERSEY) LIMITED
which are guaranteed by,
and will be exchangeable for Ordinary Shares in,
SCOTTISH POWER PLC

Linklaters

THIS INSTRUMENT by way of **DEED POLL** is executed as a deed on 10 July 2003 by **SCOTTISH POWER PLC** (the "**Guarantor**"), a company incorporated in Scotland with limited liability with registered number 193794 and having its registered office at 1 Atlantic Quay, Glasgow G2 8SP

WHEREAS

(A) The Guarantor by resolutions of its Board of Directors passed on 29 May 2003 and a Committee of its Board of Directors passed on 17 June 2003 and 3 July 2003 has determined to guarantee (subject as provided herein) unconditionally and irrevocably to the holders from time to time of the exchangeable redeemable preference shares of the Issuer (as defined below) (the "**Preference Shares**") which would arise on conversion of all or any of the U S $700,000,000 4 00 per cent Step-up Perpetual Subordinated Guaranteed Convertible Bonds of the Issuer (the "**Bonds**") guaranteed by the Guarantor, the due and punctual payment in full of all redemption monies, dividends and any other amounts payable in respect of the Preference Shares to the extent that the same shall not have been paid by the Issuer.

(B) The Guarantor by resolutions of its Board of Directors passed on 29 May 2003 and a Committee of its Board of Directors passed on 17 June 2003 and 3 July 2003 has further determined to undertake (subject as provided herein) to the holders from time to time of the Preference Shares to exchange such Preference Shares for fully paid Ordinary Shares (as defined below) of the Guarantor on the terms and subject to the conditions hereinafter provided

(C) The Guarantor has determined to execute this Instrument by way of Deed Poll in connection with the issue of the Preference Shares and the grant of the Share Exchange Calls attaching there to as defined in the Articles.

NOW THIS INSTRUMENT by way of **DEED POLL WITNESSETH** as follows

1 INTERPRETATION

1.1 In this Instrument by way of Deed Poll, unless there is something in the subject matter or context inconsistent therewith, the words and expressions set out below bear the following meanings

"**Articles**" means the Articles of Association of the Issuer as the same may from time to time be modified in accordance with the provisions set out therein,

"**Auditors**" means the auditors for the time being of the Guarantor or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of this Deed Poll, such other firm of accountants as may be nominated or approved by the Trustee after consultation with the Guarantor,

"**Closing Date**" means 10 July 2003, or at such other time and/or date as the Issuer, the Guarantor and the Manager may agree,

"**Conversion Right**" means the right the holder of each Bond shall have to convert each U S $1,000 principal amount of a Bond into one fully paid Preference Share allotted at a price equal to the Paid Up Value and to require the Issuer forthwith to procure that such Preference Share be exchanged immediately for Ordinary Shares in the capital of the Guarantor;

"**Condition**" means the relevant condition in the terms and conditions of the Bonds as set out in the Trust Deed,

"Deed Poll" means this instrument by way of Deed Poll (as from time to time amended in accordance with the terms hereof) and includes any instrument which is executed in accordance with the provisions hereof (as from time to time amended as aforesaid) and expressed to be supplemental hereto,

"Issuer" means Scottish Power Finance (Jersey) Limited, a company incorporated under the laws of Jersey,

"Lead Manager" means UBS Limited;

"London Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in London,

"Ordinary Shares" means ordinary shares of the Guarantor having at the date hereof a nominal value of 50 pence each (and any other shares or stock resulting from any sub-division, consolidation, re-classification or redenomination of such ordinary shares),

"outstanding" means in relation to the Preference Shares, all Preference Shares issued other than (A) those Preference Shares which have been redeemed and cancelled pursuant to the Articles, (B) those Preference Shares in respect of which the date for redemption in accordance with the Articles has occurred and the redemption monies wherefor have been duly paid in the manner provided in the Articles and remain available for payment; and (C) those Preference Shares (if any) which are for the time being held by any person (including, but not limited to, the Issuer or the Guarantor or any other subsidiary of the Guarantor) for the benefit of the Issuer or the Guarantor or any other subsidiary of the Guarantor;

"Paid-up Value" has the meaning assigned to it in the Articles at the date hereof notwithstanding any subsequent modification of the Articles or order of any court or other authority;

"Preference Share" shall, where the context so admits, include a Preference Share required by the Conditions to have been issued but which shall not have been so issued and references to any amounts payable in respect of a Preference Share shall include amounts required to be paid in respect of a Preference Share required to have been issued pursuant to the Conditions but not so issued,

"Preference Shareholder" or **"holder of Preference Shares"** means, in relation to a Preference Share, the person or persons in whose name or names such Preference Share is registered from time to time (other than the Issuer or the Guarantor or any subsidiary of the Guarantor or any person holding such Preference Share for the benefit of any of the foregoing) and shall include, where the context so admits, any Bondholder or, as the case may be, the Trustee to whom Preference Shares should have been issued as required by the Conditions and which shall not have been so issued,

"Redemption Monies" means the aggregate Paid up Value of the Preference Shares outstanding together with all additional amounts payable in connection with the redemption of the Preference Shares in accordance with the provisions of the Articles,

"Senior Creditors" has the meaning given to it in Condition 23 of the Bonds,

"Subsidiaries" shall have the meaning ascribed to it under Section 736 of the Companies Act 1985;

"Trustee" means the trustee for the time being and from time to time of the holders of the Bonds appointed pursuant to a trust deed of even date herewith between the Issuer, the Guarantor and The Law Debenture Trust Corporation p l c constituting the Bonds (the "Trust Deed")

Terms defined in the Trust Deed or in the Articles shall, unless the context requires otherwise, have the same meanings when used herein.

1.2 Unless the context requires otherwise, terms importing the singular number only shall include the plural and vice versa and terms importing persons shall include firms and corporations and terms importing one gender only shall include the other gender

1.3 References in this Deed Poll to Clauses shall be construed as references to the Clauses of this Deed Poll and any reference to a sub-clause shall be construed as a reference to the relevant sub-clause of the Clause in which such reference appears.

1.4 References in this Deed Poll to any statute or a provision of any statute shall be deemed to include a reference to any statute or the provision of any statute which amends, extends, consolidates, re-enacts or replaces the same, or which has been amended, extended, consolidated, re-enacted or replaced by the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.

1.5 The headings to Clauses are inserted for convenience only and shall not affect the construction of this Deed Poll

2 GUARANTEE

2.1 The Guarantor hereby unconditionally (other than as provided in Clause 2 2 below) and irrevocably undertakes (on a subordinated basis as set out in Clause 2 2) to each of the Preference Shareholders to make due and punctual payment (subject as provided below) of all redemption monies, dividends and other amounts expressed to be payable in respect of the Preference Shares or, if Preference Shares shall not have been issued as so required by the Conditions, which would have been payable on such Preference Shares had the same been so issued when so required, on the due date for payment or, if Preference Shares shall not have been so issued as aforesaid, on what would have been so the due date for payment had such Preference Shares been so issued, to the extent that the same shall not be paid by the Issuer, regardless of (i) whether the profits of the Issuer justify the relevant payment of any dividend, (ii) whether the relevant amounts shall be available for distribution or payment by the Issuer, (iii) whether payment thereof shall have been declared or approved by or on behalf of the Issuer or by the Issuer in general meeting, (iv) whether the payment thereof by the Issuer shall be prohibited by law, or (v) where Preference Shares shall not have been issued as aforesaid, the fact that for whatever reason such Preference Shares shall not have been issued

2.2 This Guarantee is granted by the Guarantor on a subordinated basis. The holders of Preference Shares' rights under this Guarantee shall be subordinated in right of payment, in the event of the dissolution or liquidation in whatever manner of the Guarantor, to the claims of Senior Creditors so that amounts due and payable in respect of the Preference Shares under this Guarantee shall be paid by the Guarantor only after all of the Senior Creditors of the Guarantor have been reimbursed or paid in full.

2.3 This Guarantee is a continuing guarantee and shall remain in full force and effect notwithstanding the redemption of any of the Preference Shares until all redemption

monies, dividends and other amounts expressed to be payable in respect of all of the Preference Shares (issued and/or required to be issued and/or which may become required to be issued) shall have been paid in full

2.4 The Guarantor shall not in respect of any payment due to be made hereunder be released from its obligations under, or pursuant to, this Deed Poll in any circumstances (notwithstanding anything which, but for this provision, would or might release the Guarantor or would or might affect its liability under or pursuant to this Deed Poll in respect of such payment) except upon the receipt by or for the account of the relevant Preference Shareholders of the full amount of such payment from the Issuer or the Guarantor in the currency, at the place and in the manner provided for in the Conditions, the Trust Deed, the Articles or this Deed Poll

2.5 If any payment received by any Preference Shareholder pursuant to the provisions of the Articles or this Deed Poll shall, on the subsequent bankruptcy, insolvency, corporate reorganisation or other similar event of or affecting the Issuer or for any other reason under the laws of the Island of Jersey, the United Kingdom or otherwise, be set aside or avoided under any laws relating to bankruptcy, insolvency, corporate reorganisation or other similar events, such payment shall not be considered as having discharged or diminished the liability of the Issuer or the Guarantor and this guarantee and the provisions of this Deed Poll shall continue to apply to such payment as if such payment (to the extent only of any amount so set aside or avoided) had at all times remained owing by the Issuer, and the Guarantor shall indemnify the Preference Shareholders in respect thereof.

2.6 Without prejudice to the generality of the provisions of sub-clauses 2 1 and 2 4 and Clause 6, the Guarantor shall, as between the Preference Shareholders and itself, be liable as if it were the principal obligor and not merely a surety, and, accordingly, the liability of the Guarantor shall not be discharged, lessened, affected or impaired by any time or indulgence granted to the Issuer by the Preference Shareholders or any of them, by the Issuer losing its separate corporate identity or by any dealings or transactions between the Preference Shareholders or any of them and the Issuer or by reason that any redemption monies, dividends or other moneys expressed to be payable under the Articles may not be recoverable from the Issuer by reason of any legal limitation, disability or incapacity on or of the Issuer or by reason of any other fact or circumstance whatsoever which might otherwise constitute a legal or equitable discharge of or defence to or for a guarantor

2.7 The Guarantor shall be subrogated to all or any rights of the Preference Shareholders against the Issuer in respect of any amounts paid by the Guarantor under this Deed Poll; provided always that the Guarantor shall not be entitled to receive any payments arising out of, or based upon, such right of subrogation or any right of indemnity or other right or remedy against the Issuer (including, in any case, claiming the benefit of any security or, on the liquidation or winding up of the Issuer, proving in competition with the Preference Shareholders) at any time after default has been made by the Issuer in the payment of any monies the payment of which is guaranteed by the Guarantor hereunder or in the performance of any obligation of the Issuer the performance of which is guaranteed by the Guarantor hereunder, so long as any monies payable by the Guarantor in respect of such defaulted monies remain unpaid or not duly provided for or such defaulted obligations remain unperformed If, notwithstanding the foregoing, upon the bankruptcy or winding up of the Issuer, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Guarantor before payment in full of all redemption monies, dividends and any other amounts payable in respect of the

Preference Shares issued or required to be issued shall have been made to the Preference Shareholders, such payment or distribution shall be held by the Guarantor on trust for application towards the payment of all amounts as aforesaid (but only to the extent that, without prejudice to the effect of the foregoing proviso, such trust does not constitute or create any such mortgage, charge, pledge, lien, encumbrance or other security interest over any such payment or distribution) and, pending such payment over, shall be held by the Guarantor on trust for the Preference Shareholders (but only to the extent that, without prejudice to the effect of the foregoing proviso, such trust does not constitute or create any such mortgage, charge, pledge, lien, encumbrance or other security interest)

3 STATUS

The obligations of the Guarantor under this Deed Poll constitute direct and unsecured obligations of the Guarantor

4 SHARE EXCHANGE

The Guarantor will, in the event of failure of the Issuer to perform or enforce when due, procure the performance by the Issuer of all obligations to be performed by the Issuer and the enforcement of rights of the Issuer in respect of the exercise of Conversion Rights pursuant to the making of Share Exchange Calls, as referred to in the Conditions and as set out in the Articles.

5 UNDERTAKINGS BY THE GUARANTOR

5.1 Whilst any Conversion Right remains exercisable, or any Share Exchange Call (as defined in the Articles) remains to be satisfied, the Guarantor will, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) or with the prior written approval of the Trustee where, in its opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval.

5.1.1 subject to Condition 7(d), at all times keep available for issue free from pre-emptive rights out of its authorised but unissued capital such number of Ordinary Shares as would enable the obligation of the Issuer to procure that Preference Shares be exchanged for Ordinary Shares pursuant to the making of a Share Exchange Call and all rights of subscription and exchange for and conversion into Ordinary Shares to be satisfied in full and to take all actions necessary to effect the issue and allotment of Ordinary Shares at the times and in the manner set out in the Articles of the Issuer;

5.1.2 not issue or pay up any securities, in either case by way of capitalisation of profits or reserves, other than (i) by the issue of fully paid Ordinary Shares to the Shareholders and other holders of shares in the capital of the Guarantor, if any, which by their terms entitle the holders thereof to receive Ordinary Shares on a capitalisation of profits or reserves or (ii) by the issue of Ordinary Shares paid up in full out of profits or reserves (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash dividend or (iii) by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Guarantor, if any, which by their terms entitle the holders thereof to receive equity share capital (other than Ordinary Shares) on a capitalisation of profits or reserves, unless, in any such case, the same gives rise (or would, but for

the fact that the adjustment would be less than one per cent of the Exchange Price then in effect, give rise) to an adjustment to the Exchange Price in accordance with the terms of the Articles of the Issuer,

5.1.3 not in any way modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than such rights but so that nothing in this sub-clause 5 1 3 shall prevent (i) the issue of any equity share capital to employees (including directors holding executive office) whether of the Guarantor or any of its Subsidiaries or any of the Guarantor's associated companies by virtue of their office or employment pursuant to any scheme or plan approved by the Guarantor in general meeting or which is established pursuant to such scheme or plan which is or has been so approved, or (ii) any consolidation or subdivision of the Ordinary Shares or the conversion of any Ordinary Shares into stock or *vice versa* or (iii) any modification of such rights which is not, in the opinion of a bank or an investment bank of international repute selected by the Guarantor, approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) and acting as an expert, materially prejudicial to the interests of the holders of the Bonds or (iv) without prejudice to any rule or law or legislation (including regulations made under Section 207 of the Companies Act 1989 or any other provision of that or any other legislation), the conversion of Ordinary Shares into, or the issue of any Ordinary Shares in, uncertificated form (or the conversion of Ordinary Shares in uncertificated form into certificated form) or the amendment of the Articles of Association of the Guarantor to enable title to securities of the Guarantor (including Ordinary Shares) to be evidenced and transferred without a written instrument or any other alteration to the Articles of Association of the Guarantor made in connection with the matters described in this paragraph or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of securities, including Ordinary Shares, dealt with under such procedures) or (v) any issue of equity share capital where the issue of such equity share capital results or would, but for the fact that the adjustment would be less than one per cent of the Exchange Price then in effect, or that the consideration per Ordinary Share receivable therefor is at least 95 per cent. of the Current Market Price per Ordinary Share, otherwise result in an adjustment of the Exchange Price or (vi) any issue of equity share capital or modification of rights attaching to the Ordinary Shares where prior thereto the Guarantor shall have instructed a firm of accountants or an independent investment bank of international repute in London (acting as experts), in each case selected by the Guarantor and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed), to determine what (if any) adjustments should be made to the Exchange Price as being fair and reasonable to take account thereof and such firm of accountants or investment bank shall have determined in accordance with the Articles of the Issuer either that no adjustment is required or that an adjustment to the Exchange Price is required and, if so, the new Exchange Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly),

5.1.4 procure that no securities (whether issued by the Guarantor or any Subsidiary or procured by the Guarantor or any Subsidiary to be issued) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the close of business on the last dealing day preceding the date of the announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the fact that the adjustment would be less than one per cent of the Exchange Price then in effect, give rise) to an adjustment to the Exchange Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;

5.1.5 not make any issue, grant or distribution or take any other action if the effect thereof would be that, on the conversion of Bonds, Ordinary Shares would (but for the provisions of the Articles) have to be issued at a discount or otherwise could not, under any applicable law then in effect, be legally issued as fully paid;

5.1.6 not reduce its issued share capital, share premium account or capital redemption reserve or any uncalled liability in respect thereof except (i) pursuant to the terms of issue of the relevant share capital or (ii) by means of a purchase or redemption of share capital of the Guarantor to the extent permitted by applicable law or which would not constitute a Capital Distribution as permitted by Section 130(2) of the Companies Act 1985 or (iii) a reduction of the share premium account to facilitate the writing off of goodwill arising on consolidation which requires the confirmation of the High Court and which does not involve the return, either directly or indirectly, of an amount standing to the credit of the share premium account of the Guarantor and in respect of which the Guarantor shall have tendered to the High Court such undertaking as it may require prohibiting, so long as any of the Bonds remains outstanding, the distribution (except by way of capitalisation issue) of any reserve which may arise in the books of the Guarantor as a result of such reduction or (iv) where the reduction does not involve any distribution of assets and is effected by way of cancellation for the purposes of a scheme of arrangement pursuant to Section 425 of the Companies Act 1985 or (v) solely in relation to a change in the currency in which the nominal value of the Ordinary Shares is expressed or (vi) by way of transfer of reserves as permitted under applicable laws and/or (vii) where the reduction results in (or would, but for the fact that the adjustment would be less than one per cent. of the Exchange Price then in effect, result in) an adjustment to the Exchange Price,

5.1.7 if any offer is made to all (or as nearly as may be practicable all) Shareholders of the Guarantor (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associates of the offeror (as defined in Section 430E(4) of the Companies Act 1985 or any modification or re-enactment thereof)) to acquire all or a majority of the issued ordinary share capital of the Guarantor, or if a scheme is proposed with regard to such acquisition, give notice of such offer or scheme to the Bondholders at the same time as any notice thereof is sent to its Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying, Transfer, Conversion and Exchange Agents and the Registrar and, where such an offer or scheme has been recommended by the Board of Directors of the Guarantor, or where such an offer has become or been declared unconditional in all respects,

use its reasonable endeavours to procure that a like offer or scheme is extended to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of the exercise of the Conversion Rights and/or to the holders of the Bonds,

5.1.8 use all reasonable endeavours to ensure that the Ordinary Shares issued upon exchange of any Preference Shares will be admitted to the Relevant Stock Exchange in accordance with their respective rules and will be listed, quoted or dealt in on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in, and

5.1.9 be the beneficial owner of the nominal share capital of the Issuer.

For the above purposes in relation to the Guarantor, "ordinary share capital" has the meaning given to it in Section 832 of the Income and Corporation Taxes Act 1988 and "equity share capital" has the meaning given to in it Section 744 of the Companies Act 1985

6 PAYMENTS

6.1 Payments to be made or made pursuant to this Deed Poll shall be made to the persons shown in the register of Preference Shareholders maintained by the Issuer at close of business on the seventh London Business Day before the due date for the relevant payment

6.2 All payments made by the Guarantor pursuant to this Deed Poll will be made subject to the withholding or deduction of, or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Island of Jersey or the United Kingdom or by any authority thereof or therein having power to tax or permitted by applicable law to be withheld or deducted at source The Guarantor will not be required to pay any additional or further amounts in respect of such withholding or deduction

6.3 When making any payment to Bondholders or Preference Shareholders, fractions of one per cent will be rounded to the nearest whole cent (with 0 5 of a cent being rounded upwards).

7 STAMP DUTIES

The Guarantor will pay all stamp duties, stamp duty reserve tax, capital duties and other similar duties or taxes payable in the United Kingdom or the Island of Jersey in connection with the execution of this Deed Poll

8 AMENDMENTS AND WAIVERS

8.1 Any amendment to this Deed Poll may be effected only by deed poll, executed by the Guarantor and expressed to be supplemental hereto, and, for so long as any Bonds are outstanding, only with the approval of an Extraordinary Resolution and, for so long as any Share Exchange Call remains to be satisfied, the approval of an Extraordinary Resolution of Preference Shareholders (for the purposes of which any Preference Shares held by or on behalf of the Guarantor or any of its subsidiaries shall be disregarded and treated as not outstanding) or with the prior written approval of the Trustee and the Trustee may give such approval without the consent of Bondholders if such amendment is, in the opinion of

the Trustee, not materially prejudicial to the interests of the Bondholders, is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest or proven error In forming such opinion, the Trustee shall not have regard to the consequences (including, without limitation, tax consequences) of such exercise for individual Bondholders or any other person resulting from their being for any purpose domiciled or resident in or otherwise connected with or subject to the jurisdiction of any particular territory Provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of this Deed Poll are contained in the Trust Deed and are deemed to be incorporated herein. An Extraordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with the Trust Deed shall be binding upon all the Bondholders, whether or not present at the meeting and upon all Preference Shareholders and each of the Bondholders and Preference Shareholders shall be bound to give effect to it accordingly.

8.2 A memorandum of every such supplemental deed poll shall be endorsed on this Deed Poll

8.3 Any such amendment to this Deed Poll shall, unless the Trustee agrees otherwise, be notified by the Guarantor to the Bondholders in accordance with Condition 18.

8.4 The Trust Deed provides that the Trustee may without prejudice to its rights in respect of any subsequent breach from time to time and at any time agree to the waiver or authorisation, on such terms and subject to such conditions as shall seem fit and proper, of any breach or proposed breach by the Guarantor of any of the covenants or provisions of the terms contained herein which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders.

9 GENERAL

9.1 The Guarantor hereby acknowledges and covenants that the benefit of the covenants, obligations and conditions on the part of or binding upon it contained in this Deed Poll shall enure to each and every holder of Preference Shares.

9.2 Each holder of Preference Shares shall be entitled severally to enforce the said covenants, obligations and conditions against the Guarantor (as the case may be) insofar as each Preference Share held by him is concerned, without the need to join any intervening or other holder of Preference Shares or person whatsoever in the proceedings for such enforcement

10 NOTICES

10.1 All notices to the holders of Preference Shares hereunder shall be valid if given in accordance with the Articles

10.2 Any notice or demand to be given to the Guarantor under this Deed Poll shall be given to it at its address specified above or such other address as shall have been notified to the holders of Preference Shares for the purpose and shall be marked for the attention of the Company Secretary.

11 DEPOSIT OF DEED POLL

This Deed Poll shall be deposited with the Trustee as of the date hereof Copies of this Deed Poll shall be available for inspection during usual business hours at the principal

office for the time being of the Trustee and at the specified office of each of the Paying, Transfer, Conversion and Exchange Agents and the Registrar.

12 GOVERNING LAW AND JURISDICTION

12.1 **Governing Law**: This Instrument by way of Deed Poll shall be governed by and construed in accordance with English law.

12.2 **Jurisdiction**: The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Instrument by way of Deed Poll and accordingly any legal action or proceedings arising out of or in connection with this Instrument by way of Deed Poll ("**Proceedings**") may be brought in such courts The Guarantor irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of the Agents and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not)

12 3 **Service of Process**: The Guarantor irrevocably appoints its London office, whose address is Fifth Floor, 30 Cannon Street, London EC4M 6XH to act as its agent in England to receive, for it and on its behalf, service of process of any Proceedings in England. If for any reason such agent shall cease to be such agent for the service of process, the Guarantor shall forthwith appoint a new agent for service of process in England and deliver to the Principal Paying, Transfer, Conversion and Exchange Agent a copy of the new agent's acceptance of that appointment within 30 days Nothing shall affect the right to serve process in any other manner permitted by law

IN WITNESS whereof this Instrument by way of Deed Poll has been executed and delivered as a deed on behalf of SCOTTISH POWER PLC on the day and year first above written

SCOTTISH POWER PLC

By' CHARLES BERRY

Director

By. DONALD MCPHERSON

Secretary

G

COMPANIES FORM No. 169

Return by a company purchasing its own shares

169

CHFP025

RECEIVED

2007 JUL 30 A 11:53

Please do not write in this margin

Pursuant to section 169 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 1SC193094

Please do not write in this space but leave for Inland Revenue use only

Name of company

* Scottish Power plc

* Insert full name of company

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	Non cumulative preference B shares		
Number of shares purchased	5,315,091		
Nominal value of each share	50 pence		
Date(s) on which the shares were delivered to the company	30 May 2007		
Maximum prices paid § for each share	£3 60		
Minimum prices paid § for each share	£3 60		

§ 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.	£ 19,134,327.60
Stamp Duty is payable on the aggregate amount at the rate of ½ % rounded up to the nearest multiple of £5	£ 95,675

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

Signed Sheelagh J Duffield Designation ‡ SECRETARY Date 7 JUNE 2007

Presentor's name address and reference (if any)

Linklaters LLP
One Silk Street
London
EC2Y 8HQ

For official Use (10/03)

General Section | Post room

THURSDAY

SCT 14/06/2007 743

COMPANIES HOUSE

1. Before this form is delivered to Companies House it must be "stamped" by the Inland Revenue Stamp Office to confirm that the appropriate amount of Stamp Duty has been paid. The Inland Revenue Stamp Offices is located at:

London Stamp Office
Ground Floor
South West Wing
Bush House
Strand
London
WC2B 4QN

Tel· 020 7438 7252/7452

Cheques for Stamp Duty must be made payable to "Inland Revenue - Stamp Duties" and crossed "Not Transferable"

NOTE. This form must be presented to the Inland Revenue Stamp Office for stamping together with the payment of duty within 30 days of the purchase of the shares, otherwise Inland Revenue penalties may be incurred.

2. After this form has been "stamped" and returned to you by the Inland Revenue it must be sent to:

For companies registered in:

England or Wales.

The Registrar of Companies
Companies House
Crown Way
Cardiff CF14 3UZ

DX· 33050 Cardiff

Scotland:

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh EH1 2EB

DX· 235 Edinburgh

or LP 4 Edinburgh 2

COMPANIES FORM No. 122

G

Notice of consolidation, division, sub-division, redemption or cancellation of shares, or conversion, re-conversion of stock into shares

122

CHFP025

Please do not write in this margin

Pursuant to section 122 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

SC193794

Name of company

* Scottish Power plc (the "**Company**")

* insert full name of company

gives notice that.

In accordance with the terms of the letter dated 3 May 2007 sent to holders of non-cumulative preference shares of 50 pence each in the Company (the "**B Shareholders**" and the "**B Shares**" respectively), a repurchase offer was made on 30 May 2007 by Morgan Stanley Securities Limited, acting as agent for the Company (the "**Repurchase Offer**"). The Repurchase Offer involved an offer to purchase some or all of the issued B Shares from the B Shareholders who elected to have some or all of their B Shares repurchased.

Elections to accept the Repurchase Offer were received by the Company in relation to 5,315,091 B Shares (41 per cent. of the issued B Shares) Pursuant to the terms of the Repurchase Offer these 5,315,091 B Shares were repurchased and were then cancelled (as permitted under section 121 of the Companies Act 1985). Pursuant to a special resolution of the Company dated 4 May 2006, the Company's authorised but unissued B Share capital of 5,315,091 B Shares of 42 pence each arising following the repurchase and cancellation of the B Shares has been subdivided into unclassified shares of one pence each Forthwith upon such subdivision every 42 shares of one pence each (resulting from such subdivision and/or any other authorised but unissued unclassified shares of one pence each) are consolidated into one new ordinary share of 42 pence each.

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

Signed [signature] Designation † SECRETARY Date 7 JUNE 2007

Presentor's name address and reference (if any)

Linklaters LLP
One Silk Street
London
EC2Y 8HQ

For official Use
General Section | Post room

THURSDAY

COMPANIES HOUSE

a International 3/00

Notes

The address for companies registered in England and Wales or Wales is.

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

88(2)

Return of allotments of shares

Please complete in typescript, or in bold black capitals.
CHFP109

2007 JUL 30 A 11:23

Company Number 193794

Company Name in full Scottish Power plc

Shares allotted (including bonus shares)

To
Day Month Year

Date or period during which shares were allotted
(if shares were allotted on one date enter that date in the "from" box)

From Day	Month	Year
19	04	2007

Class of shares (ordinary or preference etc)	Ordinary	Ordinary	
Number allotted	71,584	31,674	
Nominal value of each shares	£ 0 42	£ 0 42	
Amount (if any) paid or due on each	£3 74	£4 48	

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be treated as paid up			

Consideration for which the shares were allotted
(This information must be supported by the duly stampled contract or by the duly stamped particulars on Form 88(3) if the contract is not in writing)

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

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

Companies House, Crown Way, Cardiff CF14 3UZ **DX 33050 Cardiff**

FRIDAY

SCT 22/06/2007 1884
COMPANIES HOUSE

For companies registered in England and Wales

Names and addresses of the allottees

Shareholder details	Shares and Share Class allotted	
Name See attached list	**Class of Shares allotted**	**Number allotted**
Address 0	Ordinary	103,258
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address	Ordinary	
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		

Please enter the number of continuation sheets (if any) attached to this form

Signed Assistant Secretary **Date** 19/04/2007

A director / secretary / administrator / administrative receiver / receiver manager / receiver Please delete as appropriate

Please give the name address and Telephone number of the person Companies House should contact if there is any query

John Douglas
Scottish Power plc
1 Atlantic Quay
Glasgow
G2 8SP
Tel 0141 566 4563

Scott sh Power Corporate Act on
Full Exerc se
19/04/2007

Title	Forenames	Surname	Address 1	Address 2	Address 3	Address 4	Address 5	Post Code	Option Price	Exercised
Mr	Frank	Berry	2 Wemyss Drive	Blackwood Cumbernauld	GLASGOW			G68 9NP	3 74	325
Mr	Christopher John	Boynes	42 Hawthornden Gardens	BONNYRIGG	M dlothian			EH19 2BW	3 74	54
Mr	Al ster	Ca thness	12 Park Road	Inch nnan	RENFREW			PA4 9QJ	3 74	108
Mrs	Manon	Cameron	3 Bucking Green	Calderwood	East Kilbride			G74	3 74	162
Mr	James Allan	Chrstie	135 Glenwood Dr ve Armadale	BATHGATE	West Lothian			EH48 3RQ	3 74	407
M ss	Elen Wyn	Dav es	5 Watts Dyke V ew	Rusbon	WREXHAM	Clwyd		LL14 6BN	3 74	271
Mr	Bernard	Devl n	56 K nellar Drive	GLASGOW				G14 0EY	3 74	271
Mr	Kev n E	Devl n	7 Ledcameroch Road Bearsden	GLASGOW				G61 4AB	3 74	1153
Mr	Dav d James	Edwards	28 Magshendre	Waunfawr	ABERYSTWYTH	Dyfed		SY23 3PR	3 74	325
Mrs	Ma n El zabeth	Elder	17 Buchanan Drive	CARLUKE	Lanarksh re			ML8 4RN	3 74	543
Mrs	Angela	Hamilton	25 Chestnut Court Cumbernauld	GLASGOW				G67 3NX	3 74	271
Ms	Sandra	Johnstone	40 McLachlan Street	Stenhousemu r	Lanarkshire	LARBERT	St rlingsh re	FK5 3HL	3 74	135
Mr	Alan Ingl s	K dd	3 Clannda Place	The Inches	LARBERT	Stirl ngsh re		FK5 4FG	3 74	456
M ss	Jul e	McCartney	51 Halsey Crescent	LIVERPOOL				L12 7HN	3 74	162
Mr	W ll am R	McEwan	34 Scott Crescent	ALLOA	Clackmannansh re			FK10 1BD	3 74	217
Mr	Al ster	McNicoll	Bank House	High Street	EARLSTON	Berwicksh re		TD4 6BU	3 74	271
Mr	Jonathan Dav d	Molyneux	9 Whetstone Hey	Great Sutton	ELLESMERE PORT	Merseys de		CH66 3PG	3 74	217
Mr	Joseph Mart n	Murphy	21 Kerman Close	Eastfield Park West Derby	LIVERPOOL			L12 5NH	3 74	543
Mrs	Juha Mary	Newell	15 Dornoch Dr ve Blantyre	GLASGOW				G72 0GQ	3 74	108
Mr	Gordon Clarke	Nicol	101 M llersneuk Crescent	M llerston	GLASGOW			G33 6PA	3 74	543
Mr	Dav d Robert	Perry	25 Brynmor Avenue	RHYL	Clwyd			LL18 2LX	3 74	543
Mr	Andrew W ll am	P rne	7 Jenco Place Heathhall	DUMFRIES				DG1 3UU	3 74	923
M ss	Carlann	Pow	9 Macadam Place	FALKIRK				FK1 4EU	3 74	135
Mr	Mark	Rodger	43 East Princes Street	HELENSBURGH	Dunbartonsh re			G84 7DF	3 74	81
Mr	B Soha l	Shakoor	472 Kilmarnock Road	Newlands	GLASGOW			G43 2BW	3 74	271
Mrs	Susan El zabeth	Skelton	16 Ascot Avenue	Ann esland	GLASGOW			G12 0AX	3 74	434
Mr	Robert	Slater	6 B rchwood Drive	PAISLEY	Renfrewsh re			PA2 9ND	3 74	271
M ss	Kathenne L sa	Sm th	78 Grizedale	WIDNES	Chesh re			WA8 4YG	3 74	217
Miss	Angela	Sneddon	9 Gogar Place	R ddr e	GLASGOW			G33 2JH	3 74	543
Miss	Anne-Marie M	Thomson	29 Glengarry Crescent	FALKIRK				FK1 5UD	3 74	434
Mr	W ll am	Thomson	118 Denfield Avenue	Cardenden	LOCHGELLY	Fife		KY5 0BU	3 74	325
Mr	Wayne	Woodcock	79 Conwy Road	LLANDUDNO	Gwynedd			LL30 1PR	3 74	162
Mr	George	Adams	28 W ndermere Road	PRENTON	Merseys de			CH43 9SN	3 74	325
Mr	M chael R	Alexander	20 Learmonth Crescent	WEST CALDER	West Lothian			EH55 8AF	3 74	434
Mr	Ia n	Askham	34 Jeffrey Terrace Polmont	FALKIRK				FK2 0RA	3 74	271
Mr	Dav d	Baggott	31 Glenbervie Grove	DUNFERMLINE	Fife			KY11 8TH	3 74	162
Mr	John	Balmer	16 Kingsknowe Drive	Galashiels	Selkirkshire			TD1 3JE	3 74	814
Mr	Br an Scot	Barton	72 East Ma n Street Blackburn	BATHGATE	West Lothian			EH47 7QS	3 74	407
Mr	Ross	Baxter	20 Aikman Road	MOTHERWELL	Lanarksh re			ML1 3BT	3 74	1357
M ss	Anne	Benson	42 Central Road	Port Sunlight	WIRRAL	Merseyside		CH62 5EJ	3 74	271
Mrs	Frances	Bentley	35 Greenways Court	PAISLEY	Renfrewsh re			PA2 9HH	3 74	543
Mr	Scott	B lsland	29 L ndsay Place	Kelv ndale	GLASGOW			G12 0HU	3 74	54
Mr	Alan Ernest	Booth	518 Woodridge	W ndm ll H ll	RUNCORN	Chesh re		WA7 6LP	3 74	217
Mr	Kenneth Barr	Bow e	20 Carthagena Avenue	DUMFRIES				DG1 4XN	3 74	135
Mr	Kenneth	Breen	13 Muirs de Grove	Ca meyh ll	DUNFERMLINE	F fe		KY12 8RB	3 74	162
M ss	Lorra ne	Brogan	9 Drumbeg Place	N tsh ll	GLASGOW			G53 6RE	3 74	217
Mr	Gary	Brown	11 B ghty Avenue	GLENROTHES	F fe			KY7 5AA	3 74	54
Mrs	G ll an Ann	Casson	30 Garthowen Road	LIVERPOOL				L7 9LA	3 74	162
Mr	Paul	Casson	30 Garthowen Road	Edge Lane	LIVERPOOL			L7 9LA	3 74	271
Mr	Reg nald	Ch sholm	8 Latch Road	DUNBAR	East Loth an			EH42 1LZ	3 74	271
Mr	Stephen	Clark	13 Ardoch Crescent	DUMBARTON				G82 4EN	3 74	54
Mr	Thomas Arthur	Connell	11 Old School Court	LINLITHGOW	West Loth an			EH49 7AW	3 74	271
Mr	W ll am Graham	Conroy	28 Balg bbon Dr ve	CALLANDER	Perthsh re			FK17 8EU	3 74	488

Scott sh Power Corporate Action
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Mr	Graham	Cross	21 St N n ans	LANARK					ML11 7HX	3 74	135
Mr	W ll am A	Cuthbert	76 Galbra th Drive M ngavie	GLASGOW					G62 6NE	3 74	135
Mr	Dew Hywel	Dav es	Fa rbourne	139 Ruabon Road	WREXHAM	Clwyd			LL13 7RB	3 74	271
Mrs	Shona Kirsti	Dawson	Flat 2/3	288 Old Ruthergien Road	GLASGOW				G5 0UN	3 74	271
Mr	James	Deas	82 Mary Stevenson Drive	ALLOA	Clackmannansh re				FK10 2BF	3 74	543
Mr	Douglas	D ckson	2 Stakeh ll	LARGS	Ayrsh re				KA30 9NQ	3 74	325
M ss	L sa	Domagalaci	17 Chestnut Avenue	Acton	WREXHAM	Clwyd			LL12 7HS	3 74	135
M ss	Laura	Donaghey	46 Harv e Avenue	Newton Mearns	GLASGOW				G77 6LQ	3 74	325
Mrs	Mane	Donaghy	Flat 1/1	127 Albert Road	GLASGOW				G42 8UB	3 74	217
M ss	Karen Laura	Donnelly	93 Mountblow Road	CLYDEBANK	Dunbartonsh re				G81 4NF	3 74	61
Mr	Ne l G	Dougary	37 Auchterderran Road	LOCHGELLY	F fe				KY5 9DQ	3 74	217
M ss	Ela ne	Douglas	11 McKeown Gardens	BELLSHILL	Lanarksh re				ML4 2FD	3 74	1357
Mrs	Patric a	Dowd	62 Tourney Green Westbrook	WARRINGTON					WA5 7XN	3 74	108
Mr	Shaun Dav d	Edwards	40 Romney Road	CHATHAM	Kent				ME5 7LU	3 74	217
Mr	Alexander Ewen	Ellen	Flat 2/1 1 Old Farm Road	Netherton Waters	Bearsden	GLASGOW			G61 1QA	3 74	407
Miss	Deborah Margaret	Evans	48 Coniston Road	L ttle Neston	South Wirral	NESTON	Merseyside		CH64 0TD	3 74	162
Mr	Brian Donald	Fa chney	41 Craig evar Avenue Carron	FALKIRK					FK2 8DQ	3 74	135
Mr	Alfred Olagoke	Fatoberu	5 Deakin Street	BIRKENHEAD	Merseyside				CH41 0AP	3 74	135
Mrs	Margaret Glover	Fergus	8 Camps e Avenue	Bourtreeh ll	IRVINE	Ayrsh re			KA11 1JF	3 74	271
Mr	Ronald	Ferguson	27 Eskdale Road	Bearsden	GLASGOW				G61 1JZ	3 74	162
M ss	Dawn	Ford	50 Woodlea Gardens	BONNYBRIDGE	St ringsh re				FK4 1DF	3 74	271
Mr	Alan	Forster	12 Donne Close	Beb ngton	WIRRAL	Merseys de			CH63 9YJ	3 74	325
Mrs	Jud th	Fraser	4 Dunure Crescent	BONNYBRIDGE	St ri ngsh re				FK4 1EG	3 74	162
Mr	Adam	Fyfe	53 K ngsf eld	UNLITHGOW	West Loth an				EH49 7SL	3 74	228
Mrs	Sally Jayne	Gallagher	33 Rosewood Avenue	CHESTER					CH2 2JQ	3 74	814
M ss	Katherine	Galloway	1 Poplar Grove	Tranmere	BIRKENHEAD	Merseys de			CH42 0JP	3 74	217
Ms	Jacquel ne	Gehrmann	40 Butler Crescent	Stantyre	GLASGOW				G72 9JH	3 74	543
Mr	Adam	G bson	130 Clydesdale Avenue	HAMILTON	Lanarksh re				ML3 7SX	3 74	271
Mr	Dav d	G lmour	Flat 3/3 3 Armadale Street	GLASGOW					G31 2UU	3 74	27
Mr	Derek Andrew	Ginever	740 Mosspark Drive	Cardonald	GLASGOW				G52 3AX	3 74	407
Mrs	Catherine	Gorman	54 Ra thburn Avenue	GLASGOW					G45 9RX	3 74	108
M ss	Carol ne	Groom	14 Claughton Avenue	CREWE					CW2 6EZ	3 74	135
Mr	Russell A	Ham lton	27 Walnut Gate	Halfside	Cambuslang	GLASGOW			G72 7FG	3 74	271
Mr	Albert Green	Harley	10 Seafield Gardens	Seafield	KIRKCALDY	F fe			KY1 1PJ	3 74	271
Ms	Al son	Harper	25 Solway Drive	Head of Mu r	DENNY	Stri ngsh re			FK6 5NS	3 74	203
M ss	V ctoria	Hatton	32 Bevyl Road	Parkgate	South Wirral	NESTON	Merseys de		CH64 6RR	3 74	162
Mrs	Jacquel ne	Hatton-Burr	106 West Vale	NESTON	Merseyside				CH64 0TL	3 74	271
Mr	Robert	Heaney	3 Hundy Court	KILMARNOCK	Ayrsh re				KA3 7QW	3 74	108
Mrs	Jane	Henderson	21 Ure Crescent	BONNYBRIDGE	St ringshire				FK4 1NE	3 74	162
Mrs	Jennifer	Henderson	9 Humphreys Close	Murd shaw	RUNCORN	Cheshire			WA7 6HX	3 74	54
Mrs	Manon	Henderson	55 Louden H ll Road	Orchard Park	Robroyston	GLASGOW			G33 1GA	3 74	258
Mrs	Lynne	Holden	1 Arden Road	GREENOCK	Renfrewsh re				PA15 3AB	3 74	488
Mr	Robert Charles	Hollands	14 Portlemouth Road	Croxteth	LIVERPOOL				L11 0AX	3 74	135
Mr	Albert Ph lip	Holt	7 Blackhorse Place	Old Swan	LIVERPOOL				L13 5UA	3 74	351
Mr	M chael J	Hornby	24 Bourtree Road	HAMILTON	Lanarksh re				ML3 8PT	3 74	543
Mr	Stephen	Howe	64 Ferguson Dr ve	DENNY	St ri ngshire				FK6 5AG	3 74	108
Mrs	Janice	Howie	17 Crofth ll Road	Croftfoot	GLASGOW				G44 5QL	3 74	217
Ms	Deryn	Hughes	6 Cypress Avenue Udd ngston	GLASGOW					G71 5HT	3 74	217
Mrs	Valerie Christ ne	Hughes	35 Ffordd Penrhwylfa	PRESTATYN	Clwyd				LL19 8AE	3 74	407
Mr	Kevin Brady	Hunter	165 Rockhampton Ave	East Kilbride	GLASGOW				G75 8EL	3 74	61
Mr	W ll am	Hunter	46 Threestanes Road	STRATHAVEN	Lanarksh re				ML10 6EB	3 74	271
Mr	George	Hyslop	19 Qua l Road	AYR					KA8 8LT	3 74	543
Mrs	She la Anne	Inman	13 Lawrence Road W ndle	ST HELENS	Merseys de				WA10 6HY	3 74	108
Mr	Anthony Ke th	Jones	14 Barass e Crescent	Westerwood Green Cumber	GLASGOW				G68 0HP	3 74	543

Scott sh Power Corporate Action
Full Exercise
19/04/2007

Mr	Stephen G	Jones	2 Anfield Close	Connah s Quay	DEESIDE	Clwyd		CH5 4NQ	3 74	271
Mr	Stephen Wynn	Jones	2 Glasfryn Nant Parc	Johnstown	WREXHAM	Clwyd		LL14 1YF	3 74	271
Mr	Frank	Kavanagh	179 Ma n Street	Overtown	WISHAW	Lanarksh re		ML2 0QP	3 74	81
Mr	Ian	Keates	31 Acorn Close	K ngsnorth	ASHFORD	Kent		TN23 3HR	3 74	543
Mrs	Karen	Kennedy	36 Drymen Road	Bearsden	GLASGOW			G61 2RG	3 74	1357
Mrs	Rosemary	Kennedy	39 Jackson Drive Stepps	GLASGOW				G33 6GE	3 74	271
Mr	James Douglas	Kidd	9 Crinan Place	DUNFERMLINE	Fife			KY11 8FR	3 74	1086
Mr	W ll am	K ng	17 Dymond Grove	DUNFERMLINE	Fife			KY11 8DE	3 74	678
Mr	Terence John	Kn ght	32 Longshaw St	WARRINGTON				WA5 0BZ	3 74	543
Mr	Alexander	Lamb	70 Moorside Street	CARLUKE	Lanarksh re			ML8 4EQ	3 74	271
Mr	Walter W ll amson	Lambert	23 Stanley Gardens	GLENROTHES	Fife			KY7 4DA	3 74	814
M ss	Tracey Anne	Lamkin	10 Sw ascot Walk	HAMILTON	Lanarksh re			ML3 8DX	3 74	216
Mr	Graham Lloyd	Lewis	11 Glan Rhe dol	Cae Cered g Llanbadarn Fav	ABERYSTWYTH	Dyfed		SY23 3GG	3 74	543
Mrs	Heather	L ddell	3 Woodv ew Road	LARKHALL	Lanarksh re			ML9 1PR	3 74	108
Miss	Jennifer Ann	L ttle	107 L lac Wynd	Cambuslang	GLASGOW			G72 7GH	3 74	1086
Mr	Bryan	Logue	7 Summerford	Cameron	FALKIRK			FK1 5BT	3 74	135
Mr	Graham	Lunn	Braemore	Pnnces Street	INNERLEITHEN	Peeblessh re		EH44 6JT	3 74	135
Mr	David Anthony	Lynn	28 Brook'eld Drive	GLASGOW				G33 1SA	3 74	543
Mr	Gregor	Macaulay	6 Botan c Crescent	GLASGOW				G20 8QQ	3 74	651
Ms	L anne	Macdonald	70 Bellrock Crescent	Cranh ll	GLASGOW			G33 3HG	3 74	271
Mrs	Amanda Jane	Macgregor	10 Clydeford Drive Udd ngston	GLASGOW				G71 7DJ	3 74	543
Mr	Alexander Ham lto	Mackie	76 Bridgend Park	BATHGATE	West Loth an			EH48 2AY	3 74	325
Mrs	Joanne	Madden	66 Nelson Crescent	MOTHERWELL	Lanarksh re			ML1 2JP	3 74	271
Mr	Kim Newman	Marshall	Kilhoan	Carnington Terrace	CRIEFF	Perthsh re		PH7 4DY	3 74	812
Mr	Dav d	Mayor	20 Burgh Meadows	Eaves Green	CHORLEY	Lancs		PR7 3LR	3 74	217
Mr	Dan el	McCafferty	193 Brenfield Road	GLASGOW				G44 3PE	3 74	135
Mrs	Sheena Ellen	McCa g	51 Moray Avenue	DUNBAR	East Loth an			EH42 1QG	3 74	135
Mr	Niall C	McCall	17 Morlich Park	Dalgety Bay	DUNFERMLINE	F fe		KY11 9XW	3 74	271
Mr	Walter	McClure	15 Luss Avenue	GREENOCK	Renfrewshire			PA15 3EF	3 74	407
Mr	James Andrew Ar	McEwan	15 Arthur e Drive Uplawmoor	GLASGOW				G78 4AH	3 74	543
Mr	W ll am M	McEwan	26 Kellywood Crescent	K ncard ne	ALLOA	Clackmannansh re		FK10 4PB	3 74	271
Mr	Ia n Tomas	McFadyen	133 Shuna Street	Flat 3/3	GLASGOW			G20 9QR	3 74	135
Mr	Christopher	McGauley	E lasa d	Luss Road	ALEXANDRIA	Dunbartonsh re		G83 0RH	3 74	271
Mr	Martin Samuel	McGh e	93 Forrest Place Armadale	BATHGATE	West Loth an			EH48 2GZ	3 74	271
Mrs	Sandra A M	McGrath	Garngrow Lodge	Castlecary	BONNYBRIDGE	Stringshire		FK4 1TA	3 74	271
Mr	Joseph	McGraw	15 Ness Drive	Blantyre	GLASGOW			G72 9RU	3 74	217
Mr	Stephen Robert	McInally	25 Mad son Avenue	GLASGOW				G44 5AH	3 74	217
Mrs	D ahann A	McLaughl n	138 Pentland Crescent	Merryton Park	LARKHALL	Lanarkshire		ML9 1UR	3 74	284
Mr	Thomas	McMichael	4 Salt Preston Place	PRESTONPANS	East Loth an			EH32 9SQ	3 74	380
Mr	Jam e	McPherson	18 Broomf eld Walk	W llowbank	K rk ntilloch	GLASGOW		G66 3AH	3 74	271
Mr	Ross Nelson	M tchell	8/17 Constitution Street	EDINBURGH				EH6 7BT	3 74	271
Mr	David S	Montgomer	27 H llside Road	GREENOCK	Renfrewsh re			PA15 3LQ	3 74	325
Mr	Franc s John	Morgan	21 Frankby Road	Anf'eld	LIVERPOOL			L4 7XH	3 74	271
Mr	Alan Alexander	Mortimer	M lburn Cottage	63 Glasgow Road	DUMBARTON			G82 1RB	3 74	271
Mr	Dav d	Moss	10 Cambridge Avenue	L therland	LIVERPOOL			L21 7LU	3 74	217
Mr	Raymond Joseph	Muir	1 Alder Gardens	MOTHERWELL	Lanarksh re			ML1 2PD	3 74	271
Mr	Ph l p	Murphy	78 Capeling Street	Carnwadric	GLASGOW			G46 8LN	3 74	271
Mr	Andrew James	Murray	36 Forker Avenue Rosyth	DUNFERMLINE	Fife			KY11 2UF	3 74	543
Mrs	Angela Lou se	Murray	37 C tyford Crescent	Rutherglen	GLASGOW			G73 2QR	3 74	217
Mrs	Carol Ann	Murray	Drumalbin View	96 Stoneh ll Road	Carm chael B ggar	BIGGAR	Lanarksh re	ML12 6FH	3 74	434
Mrs	Catherine Hughes	Murray	B rklyn	377 Glasgow Road	Clarkston	GLASGOW		G76 8RN	3 74	271
Mrs	Carolynne	Nelson	33 Douglas St	MOTHERWELL	Lanarksh re			ML1 3JQ	3 74	108
Mr	Ian M chael	Newall	9 Sandy Lane	Wh tegate	NORTHWICH	Chesh re		CW8 2BX	3 74	271
Mrs	Paula Jane	N xon	3 Penn ngton Close	FRODSHAM	Chesh re			WA6 7NL	3 74	162

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Mr	James	O Connell	88 Barons Tower	MOTHERWELL	Lanarksh re			ML1 2EJ	3 74	543
Mr	John Campbell	Parkes	139 Braehead Road	Kidrum Cumbernauld	GLASGOW			G67 2BJ	3 74	488
Mr	Ian Walker	Paterson	33 Spring field Terrace	SOUTH QUEENSFERRY	West Loth an			EH30 9XF	3 74	217
Mr	Steven John	Ph l ps	67 Poplar Park	Port Seton	PRESTONPANS	East Loth an		EH32 0TE	3 74	325
Mr	George A nsley	Porrett	112 Derek Avenue	WARRINGTON				WA2 0EX	3 74	135
Mr	Norman	Price	2 Rosebery Place Dalgety Bay	DUNFERMLINE	F fe			KY11 9YP	3 74	271
Mr	Mark	Purk ss	11 Forest Glade	Langdon H lls	BASILDON	Essex		SS16 6SG	3 74	543
Mrs	Deborah	Rae	Spring Cottage	10 H ll St Newbridge	WREXHAM	Clwyd		LL14 3JQ	3 74	271
Mrs	Mha n	Rae	5 McCrone Place K lbarchan	JOHNSTONE	Renfrewsh re			PA10 2BF	3 74	543
M ss	Lisa	R chmond	18 Main Road	Crooked Holm	KILMARNOCK	Ayrsh re		KA3 6JT	3 74	298
Mrs	Dan elle May	Rutherford	53 Spoolers Road	PAISLEY	Renfrewsh re			PA1 2UL	3 74	135
Mr	Ne l	Sampson	47 Mu rend Road	PERTH				PH1 1JD	3 74	271
Mr	Franc s John	Sca fe	35 Greenfield Avenue	Berrylands	SURBITON	Surrey		KT5 9HP	3 74	271
Mr	Mark Dam en	Scott	5 Newton Court	Cambuslang	GLASGOW			G72 7RJ	3 74	878
Mr	Henry	Scrivens	11A Manor Rd	TRING	Herts			HP23 5DA	3 74	488
Mrs	Anne Mar e	Shegog	10 Whistleberry Crescent	HAMILTON	Lanarkshire			ML3 0PT	3 74	543
Mrs	Ann Ross	Sherry	80 Kilpatrick Gardens	Clarkston	GLASGOW			G76 7RH	3 74	162
Mr	John	Sm th	11 Helmsdale Avenue	Blantyre	GLASGOW			G72 9NY	3 74	162
Mr	Kenneth H	Sm th	30 Mauldslie Street	COATBRIDGE	Lanarkshire			ML5 4AR	3 74	271
Mrs	L nda Ann	Smith	53 Moorfoot Drive	GOUROCK	Renfrewsh re			PA19 1ER	3 74	162
Mr	Ne l Courtney	Smith	1 Polquhap Place	GLASGOW				G53 7FP	3 74	543
Mr	Paul	Sm th	1 Rosebank Gardens	Canal Avenue	JOHNSTONE	Renfrewsh re		PA5 8EA	3 74	162
Mr	Richard Christoph	Somers	27 Eastern Avenue	Bromborough	WIRRAL	Merseys de		CH62 3LP	3 74	162
Mrs	Jan ce	Spe rs	39 Ben Lawers Drive	Hawkhead	PAISLEY	Renfrewshire		PA2 7NF	3 74	271
Mr	Stuart	Stephen	46 Laurelh ll Place	STIRLING				FK8 2JJ	3 74	543
Mr	Stephen Alexande	Stewart	11E Auch ngramont Road	HAMILTON	Lanarksh re			ML3 6JP	3 74	543
Mr	Ian W ll am	Stocker	1 Westbourne Drive Rhostyllen	WREXHAM	Clwyd			LL14 4BU	3 74	543
Mr	Ian	Stubbs	14 Melwood Close Penyffordd	CHESTER				CH4 0NB	3 74	325
Mr	Gary	Sweeten	5 New Luce Drive	Mount Vernon	GLASGOW			G32 9NF	3 74	271
Mr	W ll am Joseph	Tail s	24 Selvage Place	Rosyth	DUNFERMLINE	F fe		KY11 2QG	3 74	108
Mr	Anthony Stewart	Taylor	210 D nerth Road Rhos on Sea	COLWYN BAY	Clwyd			LL28 4UH	3 74	271
Miss	Mandy	Taylor	31 Teg d Way	Saltney	Fl ntsh re	CHESTER		CH4 8QR	3 74	135
Mrs	Roseann Wylie H	Thomson	78 Hillend Road Clarkston	GLASGOW				G76 7XT	3 74	543
Mr	Martin Kevin	Tillett	55 B shops Walk	ST ASAPH	Clwyd			LL17 0SU	3 74	217
Mr	Cra g Michael	Trevorrow	49 Gorsey Lane	Poulton	WALLASEY	Merseyside		CH44 4AE	3 74	352
Miss	Katharine Jane	Turner	Second Floor Flat	1 Park Gardens	GLASGOW			G3 7YE	3 74	407
Miss	Lynn	Walker	5 Hall Street Bonh ll	ALEXANDRIA	Dunbartonsh re			G83 9AL	3 74	380
Mr	Anthony James	Walsh	32 Cavend sh Court	Gorbals	GLASGOW			G5 9LA	3 74	54
Mrs	Marylyn	Walton	31 Copp ce Green Westbrook	WARRINGTON				WA5 7WB	3 74	543
Miss	Claire Ruth	Watson	Flat 5 32 Devonshire Road	LIVERPOOL				L8 3TZ	3 74	108
Mr	John Fraser	Watson	47 Tylers Acre Avenue	EDINBURGH				EH12 7JE	3 74	543
Mr	Grahame John	Weir	30 Cyprus Avenue	Eldersl e	JOHNSTONE	Renfrewsh re		PA5 9NB	3 74	325
Mr	Darren Keith	Whiston	25 Spring Gardens	CREWE				TD15 1RD	3 74	135
Mr	Paul	W lk nson	92 Ma n Street	Sp ttal	BERWICK UPON TWEED				3 74	162
Mr	James McKay	Cornwall	14 Caledon a Court	KILMARNOCK	Ayrsh re				3 74	271
Mr	Seamus M	Cron n	37 Carl sle St	CREWE				KA1 2QB	3 74	217
Mr	Robert Ross	Forbes	71 Moubray Gardens	Cambus	ALLOA	Clackmannansh re		CW2 7NX	3 74	467
Mr	Al sta r M	Jank ns	12 Glebe Road	K ncard ne	ALLOA	Clackmannanshire		FK10 2NQ	3 74	271
Mr	M chael Darren	Worth	23 Sunnybank Road	CREWE	CW2 8SX			FK10 4QB	3 74	543
Mr	Robert Ne l	Thomson	1 Rue de Bohars	TARPORLEY	Chesh re			CW6 9HF	3 74	1357
Mr	Alan John	Cochrane	10 Bevendge Road	KIRKCALDY	Fife			KY1 1UX	3 74	162
Mr	Simon Paul	Hunter	20 House Oh ll Crescent	EDINBURGH				EH4 5DH	3 74	461
Mr	James Ph l p	More	20 Holly Grove	West Myreton	MENSTRIE	Clackmannansh re		FK11 7DR	3 74	135
Mr	Scott	Morrice	4 Old Hall Knowe Place	Wester Inch Village	BATHGATE	West Loth an		EH48 2TN	3 74	543

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Title	Forenames	Surname	Address 1	Address 2	Address 3	Address 4	Address 5	Post Code	Option Price	Exercised
Mrs	Mane	Bennion	8 Grange Road West	Vicars Cross	CHESTER			CH3 5NT	4 48	89
Mr	Frank	Berry	2 Wemyss Drive	Blackwood Cumbernauld	GLASGOW			G68 9NP	4 48	125
Mr	Christopher John	Boynes	42 Hawthornden Gardens	BONNYRIGG	M dlothian			EH19 2BW	4 48	17
Ms	Catherina	Burns	88 Milligate Road	HAMILTON	Lanarkshire			ML3 6JX	4 48	35
Miss	Laura Jennifer	Carswell	79A Bonnyton Drive Eaglesham	GLASGOW				G76 0LS	4 48	44
Mr	Keith Gary	Coatsworth	4 Gladsv lle Road	LIVERPOOL				L27 4BF	4 48	446
Mrs	Catriona	Cowper	97 Dumbuck Crescent	DUMBARTON				G82 1EH	4 48	142
Mrs	Cecilia	Doyle	12 The Paddock	Clarkston	GLASGOW			G76 8SL	4 48	89
Mr	David James	Edwards	28 Maeshendre	Waunfawr	ABERYSTWYTH	Dyfed		SY23 3PR	4 48	107
Mr	Nathan John	Evans	34 Buttermere Drive	KENDAL	Cumbria			LA9 7PA	4 48	89
Ms	Louise	Farrelly	105 Mamoch Drive Glenboig	COATBRIDGE	Lanarkshire			ML5 2RF	4 48	142
Mr	Graham	Finlayson	2 Gardeners Court	DUNFERMLINE	Fife			KY12 0RN	4 48	142
Mr	Mart n	Fusan	49 Cherrybank Road	Merrylee	GLASGOW			G43 2NG	4 48	53
Mr	Richard Michael	Gough	18 Stamperland H ll	Clarkston	GLASGOW			G76 8AF	4 48	178
Mrs	Kathryn	Graham	13 Birkhill Crescent	BO NESS	West Lothian			EH51 9HP	4 48	89
Mr	Paul	Griffiths	3 Linden Close	Cross Heath	NEWCASTLE	Staffs		ST5 9LL	4 48	178
Mr	Barry	Harvey	15 Hamilton Gardens	Armadale	BATHGATE	West Lothian		EH48 2JA	4 48	44
Miss	Stella-Marie	Hughes	34 Rangerhouse Road	Whitehills	East Kilbride	GLASGOW		G75 0UU	4 48	44
Mr	Alan Inglis	K dd	3 Clarinda Place	The Inches	LARBERT	Stirlingshire		FK5 4FG	4 48	148
Mr	Grant	King	40 Ballantrae Place	Douglas	DUNDEE			DD4 8QQ	4 48	446
Mrs	Ann M	L vesey	53 Woodmill Street	DUNFERMLINE	Fife			KY11 4JN	4 48	178
Miss	L nda	Martin	23 East Greenlees Drive	Cambuslang	GLASGOW			G72 8TY	4 48	44
Mr	Kenneth	McCann	15 Springbank	Hillpark Gardens	Lesmahagow	LANARK		ML11 0FE	4 48	44
M ss	Julie	McCartney	51 Halsey Crescent	LIVERPOOL				L12 7HN	4 48	53
Mr	W liam R	McEwan	34 Scott Crescent	ALLOA	Clackmannanshire			FK10 1BD	4 48	71
Mr	Andrew David	McFarlane	73 Russell Road	Duntocher	CLYDEBANK	Dunbartonshire		G81 6JP	4 48	71
Mr	Alister	McNicoll	Bank House	High Street	EARLSTON	Berw ckshire		TD4 6BU	4 48	267
Mr	Lours	McPhillips	2 Church Hill	Auchinleck	CUMNOCK	Ayrshire		KA18 2AE	4 48	178
Mr	Kevin Hugh	McSheffery	28D Kilcreggan View	GREENOCK	Renfrewsh re			PA15 3JD	4 48	35
Mrs	Susan Ed th	Miles	60 Mossgate Road	Dovecot	LIVERPOOL			L14 0JR	4 48	446
Mr	Jonathan David	Molyneux	9 Whetstone Hey	Great Sutton	ELLESMERE PORT	Merseyside		CH66 3PG	4 48	35
Mr	Michael	Moran	28 Glynne Street	BOOTLE	Merseyside			L20 6DF	4 48	446
Mr	Darran Paul	Morris	7 Bryn Y Mor Road	Rhos on Sea	COLWYN BAY	Clwyd		LL28 4DN	4 48	267
Miss	Sharon	Morton	31 Stonecraig Road	WISHAW	Lanarkshire			ML2 8BZ	4 48	89
Mr	Joseph Martin	Murphy	21 Kerman Close	East'eld Park West Derby	LIVERPOOL			L12 5NH	4 48	89
Mr	Alan David	Murray	127 Neilston Road 1/L	PAISLEY	Renfrewshire			PA2 6ER	4 48	89
Mrs	G lian Anne	Parry	100 Main Street	Symington	BIGGAR	Lanarkshire		ML12 6LJ	4 48	89
Mr	Ross Campbell	Paton	40 Anderson Crescent	Shieldhill	FALKIRK			FK1 2EE	4 48	35
Mr	Mark	Rodger	43 East Princes Street	HELENSBURGH	Dunbartonshire			G84 7DF	4 48	35
Mr	Muhammed Akba	Salik	Flat 2/3	478 Keppochhill Road	GLASGOW			G21 1JE	4 48	107
Mrs	Christine	Sergent	50 Maple Crescent	Penketh	WARRINGTON			WA5 2LG	4 48	53
Mr	B Sohail	Shakoor	472 Kilmarnock Road	Newlands	GLASGOW			G43 2BW	4 48	89
Mr	Meirion	Thomas	Dyfnaintion Gadfa	Penysarn Anglesey	North Wales	PENYSARN	Gwynedd	LL69 9UL	4 48	446
Miss	Anne-Marie M	Thomson	29 Glengarry Crescent	FALKIRK				FK1 5UD	4 48	107
Miss	Clare Louise	Tudor	40 Long Lane Brynteg	WREXHAM	Clwyd			LL30 1PR	4 48	89
Mr	Wayne	Woodcock	79 Conwy Road	LLANDUDNO	Gwynedd			LL11 6LR	4 48	53
Mr	Jeffrey Maurice	Ainsbe	4 Leaway	Greasby	WIRRAL	Merseyside		CH49 2PZ	4 48	223
Mr	Leslie	Akenhead	44 John Brunner Crescent	NORTHWICH	Cheshire			CW8 1DH	4 48	178
Mr	Michael R	Alexander	20 Learmonth Crescent	WEST CALDER	West Lothian			EH55 8AF	4 48	142
Mrs	Jeanie Caldwell	Anderson	40 Polnoon Street	Eaglesham	GLASGOW			G76 0BB	4 48	267
Mr	John	Anderson	4 Kemnay Gardens	DUNDEE				DD4 7SR	4 48	357

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Mr	M chael	Anderson	3 Atholl Place	Linwood	PAISLEY	Renfrewshire		PA3 3QZ	4 48	44
Mr	Robert	Archibald	9 Rowandale Avenue	Baillieston	GLASGOW			G69 7NR	4 48	178
Mr	David	Baggott	31 Glenberv e Grove	DUNFERMLINE	Fife			KY11 8TH	4 48	107
Mr	John	Balmer	18 Kingsknowe Drive	Galashiels	Selkirkshire			TD1 3JE	4 48	89
Mr	Jam e Robert	Barbour	29 L nks View Port Seton	PRESTONPANS	East Lothian			EH32 0EZ	4 48	178
Mr	Brian Scot	Barton	72 East Main Street Blackburn	BATHGATE	West Loth an			EH47 7QS	4 48	142
Miss	Anne	Benson	42 Central Road	Port Sunlight	WIRRAL	Merseys de		CH62 5EJ	4 48	125
Mrs	Frances	Bentley	35 Greenways Court	PAISLEY	Renfrewshire			PA2 9HH	4 48	178
Mr	Scott	Bilsland	29 Lindsay Place	Kelv ndale	GLASGOW			G12 0HU	4 48	17
Mr	James	Black	265 K nfauns Drive Flat 2/1	Drumchapel	GLASGOW			G15 7BD	4 48	142
Mr	Anthony	Blake	14 Dahlia Close	Walton Park	LIVERPOOL			L9 1JJ	4 48	35
Mr	Alan Ernest	Booth	518 Woodridge	Windmill Hill	RUNCORN	Cheshire		WA7 6LP	4 48	89
Mr	Kenneth Barr	Bowie	20 Carthagena Avenue	DUMFRIES				DG1 4XN	4 48	53
Mr	David	Brand	7 Harbour Place	BURNTISLAND	Fife			KY3 9DP	4 48	89
Mr	Michael	Brannigan	39 Wakefield Avenue	EDINBURGH				EH7 6TN	4 48	71
Mr	Kenneth	Breen	13 Muirside Grove	Cairneyhill	DUNFERMLINE	Fife		KY12 8RB	4 48	53
M ss	Lorraine	Brogan	9 Drumbeg Place	N tsh ll	GLASGOW			G53 6RE	4 48	71
Mr	Gary	Brown	11 Bighty Avenue	GLENROTHES	Fife			KY7 5AA	4 48	17
Mr	Stephen Kenneth	Brown	2 Lime Street	ELLESMERE PORT	Merseyside			CH65 2AZ	4 48	44
Mrs	Irene	Cadden	10 Livingston Lane	Laurel Grove	Cambuslang	GLASGOW		G72 8ST	4 48	267
Mr	Christopher	Campbell	172 Dumbarton Road	Old Kilpatrick	GLASGOW			G60 5DU	4 48	53
Ms	Amanda	Cannon	1/2 311 Holmlea Road	Cathcart	GLASGOW			G44 4BT	4 48	89
Mr	Fraser H	Cardwell	15 Woodend Drive	Ralston	PAISLEY	Renfrewsh re		PA1 3DX	4 48	44
Mr	Derek Duncan	Carson	Flat 1/2 2 Gillburn Road	KILMACOLM	Renfrewshire			PA13 4AN	4 48	89
Mrs	Gillian Ann	Casson	30 Garthowen Road	LIVERPOOL				L7 9LA	4 48	53
Mr	Reginald	Ch sholm	8 Latch Road	DUNBAR	East Lothian			EH42 1LZ	4 48	89
Mrs	Gaynor	Clarke	25 Ffordd Memonydd	WREXHAM	Clwyd			LL11 2LA	4 48	35
Mr	Gareth	Cochrane	6 Netherboag Road	DUMBARTON				G82 2HT	4 48	125
Mr	Thomas Arthur	Connell	11 Old School Court	LINLITHGOW	West Lothian			EH49 7AW	4 48	89
Mr	William Graham	Conroy	28 Balgibbon Drive	CALLANDER	Perthshire			FK17 8EU	4 48	160
Mr	Peter	Costello	8 Colquhoun Road	DUMBARTON				G82 2TH	4 48	89
Mr	Robert	Crawford	13 Overton Crescent	GREENOCK	Renfrewsh re			PA15 4JB	4 48	267
Mr	Stephen Owen	Crewe	The Con fers	Station Road	WREXHAM	Clwyd		LL14 5BQ	4 48	446
Mr	Graham	Cross	21 St Ninians	LANARK				ML11 7HX	4 48	44
Mr	Gary Stephen	Crosthwaite	75 Tolsta Crescent Polmont	FALKIRK				FK2 0YT	4 48	89
Mr	Steven James	Crowson	2 Woodbush Place	DUNBAR	East Lothian			EH42 1JF	4 48	178
Miss	Emma	Cruse	35 Fairfield Place	FALKIRK				FK2 7AR	4 48	267
Mr	William A	Cuthbert	76 Galbraith Drive M ingavie	GLASGOW				G62 6NE	4 48	71
Miss	Laura Marie	Dalton	11 Forest Lane	Eddlewood	HAMILTON	Lanarkshire		ML3 7SF	4 48	44
Miss	Gillian	Dav dson	40 Lochhead Avenue	LOCHWINNOCH	Renfrewshire			PA12 4AW	4 48	133
Mr	Dewi Hywel	Davies	Fairbourne	139 Ruabon Road	WREXHAM	Clwyd		LL13 7RB	4 48	89
Mr	Ieuan Wyn	Davies	Pandy	25 Tan Y Bryn Stryt Las	Rhosllanerchrugog	WREXHAM	Clwyd	LL14 2HS	4 48	53
Miss	Lisa	Domagalsc	17 Chestnut Avenue	Acton	WREXHAM	Clwyd		LL12 7HS	4 48	44
Miss	Laura	Donaghey	46 Harvie Avenue	Newton Mearns	GLASGOW			G77 6LQ	4 48	107
Mr	Neil G	Dougary	37 Auchterderran Road	LOCHGELLY	Fife			KY5 9DQ	4 48	107
Mr	James	Douglas	Staffa	St Johns Town of Dalry	CASTLE DOUGLAS	K rkcudbrightshire		DG7 3SR	4 48	89
Mrs	F ona Margaret	Duffy	6 Strathdee Ave	Hardgate	CLYDEBANK	Dunbartonshire		G81 5NQ	4 48	53
Mr	Alastair William	Dunnet	12 Lade Green Dalgety Bay	DUNFERMLINE	Fife			KY11 9SR	4 48	446
Mr	James Robert S	Dunnett	36 Pentland Road	East Kilbride	GLASGOW			G75 9GF	4 48	53
Mr	Alexander Ewen	Ellen	Flat 2/1 1 Old Farm Road	Netherton Waters	Bearsden	GLASGOW		G61 1QA	4 48	98
Mr	William	Elliot	16 Clentry Crescent	KELTY	Fife KY4 0LG			KY4 0LG	4 48	89
Miss	Louise	Ferguson	41 Underwood Cottages	Cambusbarron	STIRLING			FK7 9PA	4 48	44

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Mr	Ronald	Ferguson	27 Eskdale Road	Bearsden	GLASGOW			G81 1JZ	4 48	53
Mr	Michael James	Fletcher	73 Berkshire Drive	Woolston	WARRINGTON			WA1 4HB	4 48	116
Miss	Dawn	Ford	50 Woodlea Gardens	BONNYBRIDGE	Stirlingshire FK4 1DF			FK4 1DF	4 48	35
Mr	Alan	Forster	12 Donne Close	Bebington	WIRRAL			CH63 9YJ	4 48	35
Mr	Gareth	Foulk-Jones	18 Bro Caerwyn	LLANGEFNI	Gwynedd			LL77 7GF	4 48	53
Mr	Donald Gneve	Fraser	87 North St	LOCHGELLY	Fife			KY5 9NR	4 48	53
Mr	Graham	Fraser	14 St Johns Drive	DUNFERMLINE	Fife			KY12 7TB	4 48	89
Mrs	Judith	Fraser	4 Dunure Crescent	BONNYBRIDGE	Stirlingshire			FK4 1EG	4 48	62
Mr	Adam	Fyfe	53 Kingsfield	LINLITHGOW	West Lothian			EH49 7SL	4 48	133
Miss	Katherine	Galloway	1 Poplar Grove	Tranmere	BIRKENHEAD	Merseyside		CH42 0JP	4 48	35
Mr	David Stephen	Gaughan	3 Harmony Court	BONNYRIGG	Midlothian			EH19 3NY	4 48	446
Mr	Darren	Giannell	40 Holm Gardens	BELLSHILL	Lanarkshire			ML4 2PA	4 48	35
Mr	James	Gillon	1 Cockburn Crescent	Whitecross	LINLITHGOW	West Lothian		EH49 6JT	4 48	116
Mr	Derek Andrew	Ginever	740 Mosspark Drive	Cardonald	GLASGOW			G52 3AX	4 48	89
Mrs	Catherine	Gorman	54 Rarthburn Avenue	GLASGOW				G45 9RX	4 48	44
Miss	Caroline	Groom	14 Claughton Avenue	CREWE				CW2 6EZ	4 48	44
Mr	John	Hagan	60 St John Street	COATBRIDGE	Lanarkshire			ML5 3HB	4 48	446
Mrs	Margaret	Hall day	Enskay	67 Rowanbank Road	DUMFRIES			DG1 4QE	4 48	178
Mr	Russell A	Hamilton	27 Walnut Gate	Hallside	Cambuslang	GLASGOW		G72 7FG	4 48	89
Mr	Colin	Harley	14 Inchview	KIRKCALDY	Fife			KY1 1SS	4 48	62
Ms	Alison	Harper	25 Solway Drive	Head of Muir	DENNY	Stirlingshire		FK6 5NS	4 48	40
Mr	James	Harper	13 Hogarth Avenue	SALTCOATS	Ayrshire			KA21 6BY	4 48	89
Mr	Lee Michael	Harris	63 Davenham Road	Formby	LIVERPOOL			L37 3NR	4 48	446
Mrs	Jacqueline	Hatton-Burr	106 West Vale	NESTON	Merseyside			CH64 0TL	4 48	89
Mr	Robert	Heaney	3 Huntly Court	KILMARNOCK	Ayrshire			KA3 7QW	4 48	35
Mr	Vincent	Hefy	20 Ardbeg Street	Govanhill	GLASGOW			G42 7RD	4 48	89
Mrs	Jane	Henderson	21 Ure Crescent	BONNYBRIDGE	Stirlingshire			FK4 1NE	4 48	53
Mrs	Marion	Henderson	55 Louden Hill Road	Orchard Park	Robroyston	GLASGOW		G33 1GA	4 48	78
Miss	Gillian	Hendry	19 Well Meadow Way	Newton Mearns	GLASGOW			G77 6RB	4 48	267
Mr	David	Hernott	Appin Crag	Slamannan Road	Avonbridge	FALKIRK		FK1 2LP	4 48	267
Mr	Charles	Hocking	Kirwick	4 Lubnaig Gardens	Bearsden	GLASGOW		G61 4QX	4 48	80
Mr	Simon William	Hogg	34 Staffa Street	GOUROCK	Renfrewshire			PA19 1SJ	4 48	89
Mr	Robert Charles	Hollands	14 Portlemouth Road	Croxteth	LIVERPOOL			L11 0AX	4 48	44
Mr	Stephen	Howe	64 Ferguson Drive	DENNY	Stirlingshire			FK6 5AG	4 48	35
Mrs	Janice	Howie	17 Crofthill Road	Croftfoot	GLASGOW			G44 5QL	4 48	53
Mrs	Jane Suzanne	Hughes	118 Rhuddlan Road	BUCKLEY	Clwyd			CH7 3QA	4 48	26
Mr	Jonathan Paul	Hughes	118 Rhuddlan Road	BUCKLEY	Clwyd			CH7 3QA	4 48	35
Mr	Kevin Brady	Hunter	165 Rockhampton Ave	East Kilbride	GLASGOW			G75 8EL	4 48	26
Mr	Gary	Jenkins	9 Hathersage Gardens	Baillieston	GLASGOW			G69 6QQ	4 48	89
Miss	Ceri Mane	Jones	3 Maes Alyn	Rhosrobin Road	WREXHAM	Clwyd		LL11 4PW	4 48	44
Mr	Medwyn Hughes	Jones	Gorffwysfa	Nefyn	PWLLHELI	Gwynedd		LL53 6LF	4 48	107
Mr	Stephen Wynn	Jones	2 Glasfryn Nant Parc	Johnstown	WREXHAM	Clwyd		LL14 1YF	4 48	71
Mrs	Annette Patricia	Kearney	1253 Dumbarton Road 2/1	GLASGOW				G14 9UU	4 48	89
Mr	Ian	Keates	31 Acorn Close	Kingsnorth	ASHFORD	Kent		TN23 3HR	4 48	89
Mr	Joseph	Keaveney	895 Dumbarton Road	Whiteinch	GLASGOW			G11 6NA	4 48	223
Mr	Kerr	Kennedy	Flat 5/4	172 Crow Road	GLASGOW			G11 7JS	4 48	69
Mr	Philip	King	238 Millfield Hill	Craigend	ERSKINE	Renfrewshire		PA8 6JL	4 48	71
Mr	William	King	17 Dymond Grove	DUNFERMLINE	Fife			KY11 6DE	4 48	133
Mr	Lee	Kinsey	243 Mill Lane	ST HELENS	Merseyside			WA9 4EY	4 48	44
Mr	Mark Anthony	Kirkham	49 Underwood Road	PAISLEY	Renfrewshire			PA3 1TQ	4 48	89
Mr	Alexander	Lamb	70 Moorside Street	CARLUKE	Lanarkshire			ML8 4EQ	4 48	89
Mr	Graeme Alistair	Lee	86 Corona Road New Ferry	WIRRAL	Merseyside			CH62 4SE	4 48	107

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Mrs	Annette Helen	Leighton	207 Galloway Drive	Rutherglen	GLASGOW			G73 4DD	4 48	35
Mrs	Sandra	Leith	150 Foresthall Drive	GLASGOW				G21 4EP	4 48	178
Mr	Thomas Edward	L ndup	11 Marple Grange	Rhewl Lane	Gobowen Nr Oswestry				4 48	53
Mr	Derek Scott	Lockhart	11 Glencairn Terrace	BATHGATE	West Lothian			EH48 4DL	4 48	53
Mr	Gregor	Macaulay	6 Botan c Crescent	GLASGOW				G20 6QQ	4 48	232
Miss	Jennifer Manon	Maclean	7C St Annes Wynd	ERSKINE	Renfrewshire			PA8 7DS	4 48	267
Mr	Steven Mark	Mahoney	25 Coroners Lane	WIDNES	Cheshire			WA8 9JN	4 48	71
Mrs	Angela	Malcolm	10 Glen Mark East Kilbride	GLASGOW				G74 3UT	4 48	26
Mrs	Eleanor	Martin	82 Broomfield Avenue	Newton Mearns	GLASGOW			G77 5JP	4 48	89
Ms	Jack e	Martin	11 Sunnybank Drive	Clarkston	GLASGOW			G76 7SS	4 48	44
Mr	John	McAughtne	19 H gh Street East	ANSTRUTHER	Fife			KY10 3DQ	4 48	446
Mrs	Sheena Ellen	McCaig	51 Moray Avenue	DUNBAR	East Lothian			EH42 1OG	4 48	44
Mr	Niall C	McCall	17 Morlich Park	Dalgety Bay	DUNFERMLINE	Fife		KY11 9XW	4 48	89
Mr	William	McClure	1A Killearn Rd	GREENOCK	Renfrewshire			PA15 3DD	4 48	71
Mr	W liam Robert	McClure	1A Killearn Rd	GREENOCK	Renfrewshire			PA15 3DD	4 48	160
Miss	Gillian	McCulloch	Flat 1/F	21 Baronald Street	Rutherglen	GLASGOW		G73 1AF	4 48	89
Ms	Debbie	McDougall	2 Leverndale Court	Crookston	GLASGOW			G53 7SJ	4 48	178
Mr	Wil am M	McEwan	26 Kellywood Crescent	Kincardine	ALLOA	Clackmannanshire		FK10 4PB	4 48	89
Mr	William	McKenna	8 Newbattle Abbey Crescent	DALKEITH	Midlothian			EH22 3LN	4 48	446
Mr	Alan	McKenzie	30 North Road	PORT GLASGOW	Renfrewshire			PA14 5SZ	4 48	89
Mr	David	McKenzie	30 North Road	PORT GLASGOW	Renfrewshire			PA14 5SZ	4 48	178
M ss	Manon	McKinlay	Flat 2/2	2136 Dumbarton Road	Yoker	GLASGOW		G14 0JJ	4 48	89
Mr	Gordon B	McKinna	46 Brod e Avenue	TROON	Ayrshire			KA10 6QA	4 48	89
Mrs	Diahann A	McLaughlin	138 Pentland Crescent	Merryton Park	LARKHALL	Lanarkshire		ML9 1UR	4 48	107
Mr	Thomas	McMichael	4 Salt Preston Place	PRESTONPANS	East Lothian			EH32 9SQ	4 48	89
Mr	Jamie	McPherson	18 Broomfield Walk	Willowbank	Kirkintilloch	GLASGOW		G66 3AH	4 48	89
Mr	Brian James	McSheffery	16B Kilcreggan View	GREENOCK	Renfrewshire			PA15 3JB	4 48	35
Mr	Craig	McSorley	27 Langstile Road	GLASGOW				G52 4AQ	4 48	53
Mr	Ronald	Memlees	17 Langshaw Crescent	CARLUKE	Lanarkshire			ML8 5DN	4 48	178
Mrs	Anne	Mitchell-Lay	8 Montgomery Place	LARKHALL	Lanarksh re			ML9 2EZ	4 48	53
Mr	Stuart Edward	Montgomer	Noddfa	Calcoed	HOLYWELL	Clwyd		CH8 8LE	4 48	125
Mr	David	Moss	10 Cambridge Avenue	Litherland	LIVERPOOL			L21 7LU	4 48	71
Mr	Gary Patrick	Mullen	19 Crowl n Crescent Flat 1/2	Cranhill	GLASGOW			G33 3PQ	4 48	89
Mr	Stewart Christoph	Mullen	13E Braehead Road	STIRLING				FK7 0ET	4 48	89
Mrs	Pamela Lynn	Murphy	10 Croyde Place	Sutton Leach	ST HELENS	Merseyside		WA9 4NF	4 48	89
Mr	Andrew James	Murray	38 Forker Avenue Rosyth	DUNFERMLINE	Fife			KY11 2UF	4 48	133
Mrs	Angela Lou se	Murray	37 Cityford Crescent	Rutherglen	GLASGOW			G73 2QR	4 48	62
Mrs	Carol Ann	Murray	Drumalbin View	96 Stonehill Road	Carm chael Biggar	BIGGAR	Lanarkshire	ML12 6FH	4 48	142
Mr	Ian Michael	Newall	9 Sandy Lane	Whitegate	NORTHWICH	Cheshire		CW8 2BX	4 48	107
Mr	Stephen Andrew	O Connor	6 Birman Road	WALLASEY	Merseyside CH44 9AX			CH44 9AX	4 48	35
Mr	Ian Walker	Paterson	33 Springfield Terrace	SOUTH QUEENSFERRY	West Lothian EH30 9XF			EH30 9XF	4 48	214
Mrs	Elaine Mane	Paul	170 M ddleton Street	ALEXANDRIA	Dunbartonshire G83 0DJ			G83 0DJ	4 48	26
Mrs	Angela	Pearson	155 Duror Street	GLASGOW				G32 6TP	4 48	35
Mr	John	Player	12 Cricket Place	Brightons	FALKIRK			FK2 0HZ	4 48	89
Mr	Andrew Wilham	Podger	22 Jencho Farm Close	A gburth	LIVERPOOL			L17 5AW	4 48	71
Mr	James	Pollock	65 Gavin Street	MOTHERWELL	Lanarkshire			ML1 2RL	4 48	446
Mr	Mark	Purkiss	11 Forest Glade	Langdon Hills	BASILDON	Essex		SS16 6SG	4 48	89
Mrs	Isobel	Richardson	8 Douglas Street	STRATHAVEN	Lanarkshire			ML10 6BU	4 48	89
Mr	Barry	Roberts	55 Tyn Rhos	CRICCIETH	Gwynedd			LL52 0BH	4 48	446
Mr	Barry	Roberts	7 Brendale Avenue	Mag Hull	Sefton Merseyside	LIVERPOOL		L31 7AX	4 48	89
Mr	John	Robertson	Koyokan	36 Dumfries Road Lockerbie	LOCKERBIE	Dumfriesshire		DG11 2EF	4 48	107
Mr	Lesl e	Ryder	Miradlyn	Glanhwfa Road	Llangefni Anglesey	LLANGEFNI	Gwynedd	LL77 7EY	4 48	267

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Mr	Robert John	Sangster	12 Clerwood Place	EDINBURGH				EH12 8PJ	4 48	446
Mr	Henry	Scrivens	11A Manor Rd	TRING	Herts			HP23 5DA	4 48	107
Mr	Stuart	Shaw	9 H llcrest Road	BLACKBURN				BB2 5LF	4 48	89
Mr	Richard Granger	Shepherd	57 Caithness Road	Brancumhall East Kilbride	GLASGOW			G74 3JQ	4 48	446
Mrs	Ann Ross	Sherry	80 Kilpatrick Gardens	Clarkston	GLASGOW			G76 7RH	4 48	53
Mr	Andrew	Sleigh	17 Stockburn Drive	Failsworth	MANCHESTER			M35 9SD	4 48	446
Mr	Kenneth H	Smith	30 Mauldslie Street	COATBRIDGE	Lanarkshire			ML5 4AR	4 48	89
Mr	Paul	Smith	1 Rosebank Gardens	Canal Avenue	JOHNSTONE	Renfrewshire		PA5 8EA	4 48	53
Mr	Richard Christoph	Somers	27 Eastern Avenue	Bromborough	WIRRAL	Merseyside		CH62 3LP	4 48	53
Mr	Andrew Frazer	Somerville	49 Rumford Place	KILMARNOCK	Ayrshire			KA3 6FH	4 48	178
Mr	David	Speirs	16 Monkreddan Crescent	KILWINNING	Ayrshire			KA13 6UA	4 48	178
Mrs	Janice	Spe rs	39 Ben Lawers Drive	Hawkhead	PAISLEY	Renfrewsh re		PA2 7NF	4 48	125
Mr	Thomas	Speirs	29 Gullane Court	IRVINE	Ayrshire			KA11 4DN	4 48	178
Mr	William Gordon	Stephen	Mayben View	Shieldhill Road	Redd ngmuirhead Flk	FALKIRK		FK2 0DU	4 48	89
Mr	Martin	Stokes-Fam	43 Greenacres	CREWE				CW1 4JU	4 48	78
Mr	Brian	Sutherland	158 Dover Drive	DUNFERMLINE	Fife			KY11 8HA	4 48	142
Mrs	Kirsti Fiona	Sweeten	83 Glencairn Terrace Kilmaurs	KILMARNOCK	Ayrshire			KA3 2SL	4 48	142
Mr	Richard Prentice I	Syme	28 Dalmore Drive	ALVA	Clackmannanshire			FK12 5DD	4 48	357
Mr	John	Tait	36 Blair Atholl Gardens	HAMILTON	Lanarkshire			ML3 9FF	4 48	80
Mr	John	Tait	23 Lochlea Avenue	MAUCHLINE	Ayrsh re			KA5 6BW	4 48	26
Mr	W ll am Joseph	Tallis	24 Selvage Place	Rosyth	DUNFERMLINE	Fife		KY11 2QG	4 48	35
Mr	Greig	Taylor	21 Glenbank Court	7 Rouken Road	Thornliebank	GLASGOW		G46 7EG	4 48	62
M ss	Mandy	Taylor	31 Teg d Way	Saltney	Flintshire	CHESTER		CH4 8QR	4 48	44
Mr	Ross	Taylor	54 Firbank Grove	East Calder	LIVINGSTON	West Lothian		EH53 0DY	4 48	107
Ms	Estelle	Telford	7 Plas Acton Close	Acton	WREXHAM	Clwyd		LL12 8ED	4 48	44
Mr	Martin Kevin	Tillett	55 Bishops Walk	ST ASAPH	Clwyd			LL17 0SU	4 48	107
Mr	Paul Anthony	Tolcher	23 Gloucester Road	Wallasey V llage	WALLASEY	Merseyside		CH45 3JS	4 48	125
Miss	Emma	Valentine	Y Berllan	Garden Court Duke Street	Rhos Wrexham	WREXHAM	Clwyd	LL14 1SU	4 48	44
Miss	Vicky	Wallace	2 Stakehill	LARGS	Ayrshire			KA30 9NQ	4 48	107
Miss	Cla re Ruth	Watson	Flat 5 32 Devonshire Road	LIVERPOOL				L8 3TZ	4 48	35
Mr	John Fraser	Watson	47 Tylers Acre Avenue	EDINBURGH				EH12 7JE	4 48	89
Mrs	Caroline	Wedgewort	4 Machine Road	KILMARNOCK	Ayrshire			KA3 1QB	4 48	89
Mr	Grahame John	We r	30 Cyprus Avenue	Elderslie	JOHNSTONE	Renfrewshire		PA5 9NB	4 48	89
Mr	David Ralph Geor	Whyte	18 Balbirnie Avenue	Markinch	GLENROTHES	Fife		KY7 6BS	4 48	35
Mr	Francis M chael	Wilding	90 Moncur Street	Townhill	DUNFERMLINE	Fife		KY12 0HJ	4 48	89
Mr	Paul	W lkinson	92 Main Street	Spittal	BERWICK UPON TWEED			TD15 1RD	4 48	53
Mr	Bryan Wynne	Williams	19 Glanffynnon Eat Llanrug	CAERNARFON	Gwynedd			LL55 4PR	4 48	107
Mr	Ritchie	Wood	26 Conner Avenue	Carron	FALKIRK			FK2 7FS	4 48	71
Mrs	Carol	Wright	34 Blackshaw Drive	Great Sankey	WARRINGTON			WA5 8XT	4 48	446
Mr	Michael	Wright	51 Montfode Court	ARDROSSAN	Ayrshire			KA22 7NJ	4 48	116
Mr	Craig Archibald	Yorkston	12 West Harbour Road	Cockenzie	PRESTONPANS	East Lothian		EH32 0HX	4 48	85
Mrs	Irene	Carbry	90 Wallacetown Avenue	KILMARNOCK	Ayrshire			KA3 6DS	4 48	178
Mr	Seamus M	Cronin	37 Carlisle St	CREWE				CW2 7NX	4 48	142
Mr	Alista r M	Jenkins	12 Glebe Road	Kincardine	ALLOA	Clackmannanshire		FK10 4QB	4 48	89
Miss	Kirsty	McGhie	36 Dirleton Gardens	ALLOA	Clackmannanshire			FK10 1NL	4 48	62
Mr	Alan John	Cochrane	10 Beveridge Road	KIRKCALDY	Fife			KY1 1UX	4 48	89
Mr	Simon Paul	Hunter	20 House Oh ll Crescent	EDINBURGH				EH4 5DH	4 48	142
Mr	James Philip	More	20 Holly Grove	West Myreton	MENSTRIE	Clackmannanshire		FK11 7DR	4 48	44
Mr	Brian John	Murray	24 Park Drive Wistaston	CREWE				CW2 8EN	4 48	107
Mr	Col n	Gilchrist	39 Queensberry Avenue	Bearsden	GLASGOW			G61 3LP	4 48	446
										31 674

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2007 JUL 20

Return of allotments of shares

Please complete in typescript, or in bold black capitals
CHFP109

Company Number 193794

Company Name in full Scottish Power plc

To
Day Month Year

Shares allotted (including bonus shares)

Date or period during which shares were allotted
(if shares were allotted on one date enter that date in the "from" box)

From
Day 19 Month 04 Year 2007

Class of shares (ordinary or preference etc)	Ordinary	Ordinary	Ordinary
Number allotted	77,907	90,839	34,104
Nominal value of each shares	£ 0 42	£ 0 42	£ 0 42
Amount (if any) paid or due on each	£3 01	£3 12	£3 23

List the names and addresses of the allottees and the number of shares allotted to each overleaf

If the allotted shares are fully or partly paid up otherwise than in cash please state:

% that each share is to be treated as paid up			

Consideration for which the shares were allotted
(This information must be supported by the duly stampled contract or by the duly stamped particulars on Form 88(3) if the contract is not in writing)

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

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

Companies House, Crown Way, Cardiff CF14 3UZ **DX 33050 Cardiff**

FRIDAY

SCT 22/06/2007 1875
COMPANIES HOUSE

For companies registered in England and Wales

Names and addresses of the allottees

Shareholder details	Shares and Share Class allotted	
Name See attached list	**Class of Shares allotted**	**Number allotted**
Address 0	Ordinary	202,850
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address	Ordinary	
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		
Name	**Class of Shares allotted**	**Number allotted**
Address		
UK Postcode		

Please enter the number of continuation sheets (if any) attached to this form

Signed Assistant Secretary **Date** 19/04/2007

A director / secretary / administrator / administrative receiver / receiver manager / receiver Please delete as appropriate

Please give the name address and Telephone number of the person Companies House should contact if there is any query

John Douglas
Scottish Power plc
1 Atlantic Quay
Glasgow
G2 8SP
Tel 0141 566 4563

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Title	Forenames	Surname	Address 1	Address 2	Address 3	Address 4	Post Code	Option Price	Exercised
Mr	Craig David	Arthur	15 Mackenzie Place	FALKIRK			FK1 5UJ	3 23	4537
Mr	Alister	Carthness	12 Park Road	Inchinnan	RENFREW		PA4 9QJ	3 23	1089
Mr	James Allan	Christie	135 Glenwood Drive Armadale	BATHGATE	West Lothian		EH48 3RQ	3 23	1361
Mr	Peter Anthony	Hall	27 Muspratt Road	LIVERPOOL			L21 4NN	3 23	453
Mr	William R	McEwan	34 Scott Crescent	ALLOA	Clackmannanshire		FK10 1BD	3 23	544
Mr	Darran Paul	Morris	7 Bryn Y Mor Road	Rhos on Sea	COLWYN BAY	Clwyd	LL28 4DN	3 23	544
Mr	Malcolm	Tulloch	13 Bryce Avenue	EDINBURGH			EH7 6TX	3 23	2541
Mr	Alexander	Allan	225 Broughton Road	GLASGOW			G23 5JH	3 23	544
Mr	Anthony	Blake	14 Dahlia Close	Walton Park	LIVERPOOL		L9 1JJ	3 23	356
Ms	Heather E M	Burt	26 Glenwood Drive	Armadale	BATHGATE	West Lothian	EH48 3TU	3 23	907
Mr	Graham	Cross	21 St Ninians	LANARK			ML11 7HX	3 23	453
Mr	Mark James	Crosthwaite	36 Eastcroft Drive Polmont	FALKIRK			FK2 0SU	3 23	453
Mr	Neil G	Dougary	37 Auchterderran Road	LOCHGELLY	Fife		KY5 9DQ	3 23	1270
Mr	Christopher J	Harper	56 Allington Place Handbridge	CHESTER			CH4 7DY	3 23	907
Mr	Robert	Heaney	3 Huntly Court	KILMARNOCK	Ayrshire		KA3 7QW	3 23	363
Miss	Mary	Hepburn	1 Weir Avenue	Barrhead	GLASGOW		G78 2DD	3 23	1089
Mr	Walter Williams	Lambert	23 Stanley Gardens	GLENROTHES	Fife		KY7 4DA	3 23	907
Mr	Niall C	McCall	17 Morlich Park	Dalgety Bay	DUNFERMLINE	Fife	KY11 9XW	3 23	544
Mr	Christopher	McGauley	Eilasaid	Luss Road	ALEXANDRIA	Dunbartonshire	G83 0RH	3 23	907
Mrs	Ann Ross	Sherry	80 Kilpatrick Gardens	Clarkston	GLASGOW		G76 7RH	3 23	544
Mr	John	Smith	11 Helmsdale Avenue	Blantyre	GLASGOW		G72 9NY	3 23	907
Mr	Martin Kevin	Tillett	55 Bishops Walk	St Asaph	Denbighshire	Clwyd	LL17 0SU	3 23	544
Mr	Andrew John	Watts	13 Fala Village	PATHHEAD	Midlothian		EH37 5SY	3 23	4537
Mr	Keith Howard	Wooding	28 Fisher Avenue	Whiston	PRESCOT	Merseyside	L35 3PF	3 23	726
Ms	Marion Shephe	Venman	10 Moncneff Avenue	Kirkintilloch	GLASGOW		G66 4NL	3 23	4537
Mr	Alan John	Cochrane	10 Bevendge Road	KIRKCALDY	Fife		KY1 1UX	3 23	907
Mr	Brian John	Murray	24 Park Drive Wistaston	CREWE			CW2 8EN	3 23	907
Mr	David William	Arnold	40 Kellie Wynd	Kippendavie Manor	DUNBLANE	Perthshire	FK15 0NR	3 23	726
									34 104

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Title	Forenames	Surname	Address 1	Address 2	Address 3	Address 4	Address 5	Post Code	Option Price	Exercised
Mr	James Gay	Anderson	6 Makbrar Place	Lochvale Dumfries	DUMFRIES			DG1 4BD	3 01	1514
Mr	Frank	Berry	2 Wemyss Drive	Blackwood Cumbernauld	GLASGOW			G68 9NP	3 01	908
Mr	Robert	Burnie	The Flat	Tongland	KIRKCUDBRIGHT			DG6 4LT	3 01	302
Mr	James Allan	Christie	135 Glenwood Drive Armadale	BATHGATE	West Lothian			EH48 3RQ	3 01	1514
Mr	David	Colston	11 M ddlepenny Place	Langbank	PORT GLASGOW	Renfrewsh re		PA14 6XD	3 01	757
Mr	Mellyn Paul	Jones	Talbot	Manor Avenue	PWLLHELI	Gwynedd		LL53 5AF	3 01	605
Mr	Wil am R	McEwan	34 Scott Crescent	ALLOA	Clackmannansh re			FK10 1BD	3 01	605
Mr	David M chael	McMenemy	16 Anton ne Grove	BONNYBRIDGE	Stir ngshire			FK4 2DW	3 01	757
Mr	Darran Paul	Morris	7 Bryn Y Mor Road	Rhos on Sea	COLWYN BAY	Clwyd		LL28 4DN	3 01	454
Mr	Andrew	Slater	2 Paperm ll Road	GREENOCK	Renfrewsh re			PA16 9LL	3 01	3787
Mr	Robert	Slater	6 B rchwood Drive	PAISLEY	Renfrewshire			PA2 9ND	3 01	757
Mr	Douglas	Thomson	2 Threesta nes Road	STRATHAVEN	Lanarksh re			ML10 6DX	3 01	3787
Mr	George	Adams	28 W ndermere Road	PRENTON	Merseyside			CH43 9SN	3 01	1136
Mrs	Jean e Caldwell	Anderson	40 Pohnoon Street	Eaglesham	GLASGOW			G76 0BB	3 01	1514
Ms	Heather E M	Burt	26 Glenwood Drive	Armadale	BATHGATE	West Lothian		EH48 3TU	3 01	757
Mr	Stephen	Campbell	1 Morar Avenue	CLYDEBANK	Dunbartonshire			G81 2YE	3 01	1514
Mr	Graham	Cross	21 St N nians	LANARK				ML11 7HX	3 01	378
Mr	William A	Cuthbert	76 Galbraith Drive M ngav e	GLASGOW				G62 6NE	3 01	378
Mr	Dew Hywel	Dav es	Farbourne	139 Rusbon Road	WREXHAM	Clwyd		LL13 7RB	3 01	757
Mr	Nel G	Dougary	37 Auchtanderran Road	LOCHGELLY	Fife			KY5 9DQ	3 01	1211
Mr	James	Gaffney	1 Marnsbank Gardens	BELLSHILL	Lanarksh re			ML4 3ER	3 01	757
Mr	Lawne	Hancy	8 Montgomery Rd	PAISLEY	Renfrewsh re			PA3 4LQ	3 01	378
Mrs	Jacqueline	Hatton-Burns	106 West Vale	NESTON	Merseyside			CH64 0TL	3 01	1136
Mr	Robert	Heaney	3 Huntly Court	KILMARNOCK	Ayrsh re			KA3 7QW	3 01	302
M	Stephen	Howe	64 Ferguson Drive	DENNY	Stir ngsh re			FK6 5AG	3 01	151
Mr	Jonathan Gwyn	Hughes	12 Ffordd Ganol Rhuddlan	RHYL	Clwyd			LL18 2SU	3 01	3787
Mr	M tchel Robert	Hughes	394 Crewe Road W staston	CREWE				CW2 8QR	3 01	757
Mrs	Sheila Anne	Inman	13 Lawrence Road W ndle	ST HELENS	Merseyside			WA10 6HY	3 01	302
Ms	Tracy	Kane	11 Old School Court	LINLITHGOW	West Loth an			EH49 7AW	3 01	302
Mrs	Annette Patricia	Kearney	1253 Dumbarton Road 2/1	GLASGOW				G14 9UU	3 01	605
Mr	Walte Wilkamson	Lambert	23 Stanley Gardens	GLENROTHES	Fife			KY7 4DA	3 01	757
Mrs	Elizabeth	Lynch	12 Manse Road	Coylton Ayr	AYR			KA6 6LD	3 01	1893
Mr	Kim Newman	Marshall	K lhoen	Carrington Terrace	CRIEFF	Perthsh re		PH7 4DY	3 01	669
Mr	Niall C	McCall	17 Mortch Park	Dalgety Bay	DUNFERMLINE	Fife		KY11 9XW	3 01	454
Mrs	Lesley Colquhoun	McCullagh	17 Pittenweem Path	West Cra gs	Hamilton	GLASGOW		G72 0GZ	3 01	757
Mr	Christopher	McGauley	E tasald	Luss Road	ALEXANDRIA	Dumbartonshire		G83 0RH	3 01	757
Mr	Stephen Robert	Mcinally	25 Mad son Avenue	GLASGOW				G44 5AH	3 01	757
Mr	David	Moores	42 St Annes Road	MIDDLEWICH	Chesh re			CW10 9BN	3 01	3787
M ss	Norma	Mount	28 Kyleakin Terrace	Thorn ebank	GLASGOW			G46 8AD	3 01	454
Mr	Stewart Christopher	Mullen	13E Braehead Road	STIRLING				FK7 0ET	3 01	757
Mr	Norman	Price	2 Rosebery Place Dalgety Bay	DUNFERMLINE	Fife			KY11 9YP	3 01	757
Mr	Ronald James	Pryde	36 R vers de Drive	HADDINGTON	East Lothian			EH41 3QN	3 01	151
Mrs	Ann Ross	Sherry	80 Kilpatrick Gardens	Clarkston	GLASGOW			G76 7RH	3 01	454
Mr	John	Smith	11 Helmsdale Avenue	Blantyre	GLASGOW			G72 9NY	3 01	2272
Mr	Paul	Smith	1 Rosebank Gardens	Canal Avenue	JOHNSTONE	Renfrewsh re		PA5 8EA	3 01	454
Mr	Martin Kevin	T llett	55 B shops Walk	ST ASAPH	Clwyd			LL17 0SU	3 01	757
Mr	Vincent Paul	Watmore	Mansell	Gresford View	Pentre Brought Wrexham	WREXHAM	Clwyd	LL11 6AA	3 01	530
Mr	John	Welsh	20 The L nks	WREXHAM	Clwyd			LL13 9PZ	3 01	378
Mr	Cra g Archibald	Yorkston	12 West Harbour Road	Cockenzie	PRESTONPANS	East Loth an		EH32 0HX	3 01	545
Mrs	Irene	Carbry	90 Wallacetown Avenue	KILMARNOCK	Ayrsh re				3 01	1514
Mr	James McKay	Cornwell	14 Caledon a Court	KILMARNOCK	Ayrshire			KA1 2QB	3 01	757
Mr	Al stair M	Jenkins	12 Glebe Road	Kincard ne	ALLOA	Clackmannansh re		FK10 4QB	3 01	757
M ss	Kirsty	McGh e	36 D nston Gardens	ALLOA	Clackmannansh re			FK10 1NL	3 01	605
Mrs	Carol Jean	Moss	21 Bryn Derwen	ABERGELE	Clwyd			LL22 8DE	3 01	2272
Mr	Phil p Christian	Moss	21 Bryn Derwen	ABERGELE	Clwyd			LL22 8DE	3 01	1136
Mrs	Catherine Hughes	Murray	Bridyn	377 Glasgow Road	Clarkston	GLASGOW		G76 8RN	3 01	1514
Mr	Thomas Jack	Pearson	16 Bankhead Terrace	LANARK				ML11 9BW	3 01	757
Mr	Keith Howard	Wood ng	28 Fisher Avenue	Wh ston	PRESCOT	Merseys de		L35 3PF	3 01	605
Mr	Alan John	Cochrane	10 Bevendge Road	KIRKCALDY	Fife			KY1 1UX	3 01	757
Mr	Jeffrey Maunce	Dobson	26 Saffron Close	Padgate	WARRINGTON			WA2 0QZ	3 01	3787
Mr	David Wil am	Arnold	40 Kell e Wynd	Kippendavie Manor	DUNBLANE	Perthsh re		FK15 0NR	3 01	605

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Mr	Raymond Joseph	Mu r	1 Alder Gardens	MOTHERWELL	Lanarksh re			ML1 2PD	3 01	1514
Mr	W ll am McGowan	Fner	53 Lomond	Valleyfield	East Kilbride	GLASGOW		G75 0BP	3 01	2272
Mr	Dav d	Le gh	1 Marryat Close	Wrnwck	WARRINGTON			WA2 8XS	3 01	3787
Mr	Gary John	Morton	1 Papillon Drive	Aintree	LIVERPOOL			L9 9HL	3 01	3787
Mr	James Gordon	Borthwick	79 Laburnum Avenue Port Seton	PRESTONPANS	East Loth en			EH32 0UD	3 01	2272
										77,907

Scott sh Power Corporate Act on
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Title	Forenames	Surname	Address 1	Address 2	Address 3	Address 4	Post Code	Option Price	Exercised
Mr	James Gay	Anderson	6 Makbrar Place	Lochvale Dumfries	DUMFRIES		DG1 4BD	3 12	1 558
Mr	Dav d George	Barr	93 Farne Drive	GLASGOW			G44 5DQ	3 12	415
Mr	Christopher John	Boynes	42 Hawthornden Gardens	BONNYRIGG	M dloth an		EH19 2BW	3 12	103
Mr	Al ster	Ca thness	12 Park Road	Inch nnan	RENFREW		PA4 9QJ	3 12	519
Mrs	Ela ne	Dunn	1/R 10 Dudley Drive	Hyndland	GLASGOW		G12 9SB	3 12	519
Mr	Den s	Eckersley	23 Cedar Grove Pedd ngton	WARRINGTON			WA1 3HE	3 12	519
M ss	Margaret Rose	Mac nnes	27 Scarrel Dr ve	GLASGOW			G45 0DW	3 12	363
M ss	Jul e	McCartney	51 Halsey Crescent	LIVERPOOL			L12 7HN	3 12	311
Mr	Dav d M chael	McMenemy	16 Anton ne Grove	BONNYBRIDGE	Stir ngsh re		FK4 2DW	3 12	519
Mr	Al ster	McN coll	Bank House	H gh Street	EARLSTON	Berw cksh re	TD4 6BU	3 12	519
Mr	Dav d	Miller	37 Burns Avenue	LARBERT	St r ngsh re		FK5 4FB	3 12	1 298
Mr	Darran Paul	Morris	7 Bryn Y Mor Road	Rhos on Sea	COLWYN BAY	Clwyd	LL28 4DN	3 12	363
Mrs	Christ ne	Sergent	50 Maple Crescent	Penkath	WARRINGTON		WA5 2LG	3 12	311
Mr	Michael Patrick	Tedstone	81 Old Chester Road	Great Sutton	ELLESMERE PORT	Merseys de	CH66 3PA	3 12	259
Mrs	Sarah El zabeth	Templeton	47 Ash Wynd Cambustang	GLASGOW			G72 7ZD	3 12	207
Miss	Anne-Marie M	Thomson	29 Glengarry Crescent	FALKIRK			FK1 5UD	3 12	415
Mr	Ne l	Thomson	9 Col nh ll Road	STRATHAVEN	Lanarkshire		ML10 6EU	3 12	2 596
Mr	Wayne	Woodcock	79 Conwy Road	LLANDUDNO	Gwynedd		LL30 1PR	3 12	311
Ms	Margaret	Wotherspoon	4 Carnick Grove	Mount Vernon	GLASGOW		G32 0RG	3 12	779
Mr	M chael R	Alexander	20 Learmonth Crescent	WEST CALDER	West Lothian		EH55 8AF	3 12	831
Mr	M chael	Anderson	3 Atholl Place	L nwood	PAISLEY	Renfrewsh re	PA3 3QZ	3 12	207
Mr	Dav d W ll am	Arnold	40 Kell e Wynd	Kippendav e Manor	DUNBLANE	Perthsh re	FK15 0NR	3 12	1 765
Mr	Dav d	Baggott	31 Glenberv e Grove	DUNFERMLINE	Fife		KY11 8TH	3 12	311
Mr	Charles Howard	Ball	34 K ngfisher Way	WIRRAL	Merseys de		CH49 4PR	3 12	1 038
Mr	John	Balmer	16 Kingsknowe Drive	Galash elds	Selk rksh re		TD1 3JE	3 12	519
Mrs	Lana	Barr	93 Farne Drive	GLASGOW			G44 5DQ	3 12	155
Mr	Brian Scot	Barton	72 East Main Street Blackburn	BATHGATE	West Loth an		EH47 7QS	3 12	259
Mrs	Frances	Bentley	35 Greenways Court	PAISLEY	Renfrewsh re		PA2 9HH	3 12	519
Mr	Scott	Bisland	29 L ndsay Place	Kelv ndale	GLASGOW		G12 0HU	3 12	103
Mr	Kenneth Barr	Bowie	20 Carthagena Avenue	DUMFRIES			DG1 4XN	3 12	259
Mr	Michael	Brann gan	39 Wakef eld Avenue	EDINBURGH			EH7 6TN	3 12	519
Mr	Kenneth	Breen	13 Mu rs de Grove	Cairneyhill	DUNFERMLINE	F fe	KY12 8RB	3 12	259
M ss	Lorra ne	Brogan	9 Drumbeg Place	N tshill	GLASGOW		G53 6RE	3 12	415
Mr	Gary	Brown	11 B ghty Avenue	GLENROTHES	Fife		KY7 5AA	3 12	103
Mrs	Irene	Cadden	10 L v ngston Lane	Laurel Grove	Cambuslang	GLASGOW	G72 8ST	3 12	1 038
Mr	Scott	Ca rns	30 Lawr e Drive	PENICUIK	M dloth an		EH26 0HQ	3 12	415
Mr	Chr stopher	Campbell	172 Dumbarton Road	Old Kilpatrick	GLASGOW		G60 5DU	3 12	311
Mr	Reg nald	Ch sholm	8 Latch Road	DUNBAR	East Loth an		EH42 1LZ	3 12	1 038
Mr	Stuart M chael	Clements	40 North Meggetland	EDINBURGH			EH14 1XG	3 12	519
Mr	Gareth	Cochrane	6 Netherboag Road	DUMBARTON			G82 2HT	3 12	311
Miss	Lynne	Crawford	66 Fastnet St	GLASGOW			G33 3HS	3 12	623
Mr	Robert	Crawford	13 Overton Crescent	GREENOCK	Renfrewsh re		PA15 4JB	3 12	1 038
Mr	Graham	Cross	21 St Nin ans	LANARK			ML11 7HX	3 12	259
Mr	W llam A	Cuthbert	76 Galbraith Drive M ngav e	GLASGOW			G62 6NE	3 12	259
Mr	Dewn Hywel	Davies	Fairbourne	139 Ruabon Road	WREXHAM	Clwyd	LL13 7RB	3 12	519
Mr	Emlyn	Dav es	37 Nant-Y-Coed	HOLYWELL	Clwyd		CH8 7BP	3 12	2 596
Mr	Derek	Doak	105 Lennox Drive	Fa fley	CLYDEBANK	Dunbartonsh re		3 12	1 038
Mrs	Al son E	Edwards	7 Old Stat on Court Bothwell	GLASGOW			G71 8PE	3 12	311
Mr	Brian Donald	Fa chney	41 Cra g evar Avenue Carron	FALKIRK			FK2 8DQ	3 12	415
M ss	Janet Ruth	Farrell	30 Ashcroft Road Formby	LIVERPOOL			L37 6BL	3 12	519
Mr	Carl	F lds	35 Danescourt Road	BIRKENHEAD	Merseys de		CH41 8AH	3 12	519
Mr	Dav d A	Flem ng	60 H 8crest Avenue	COATBRIDGE	Lanarkshire		ML5 3NT	3 12	2 596
Mr	Gareth	Foulk-Jones	16 Bro Caerwyn	LLANGEFNI	Gwynedd		LL77 7GF	3 12	311

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Mrs	Judith	Fraser	4 Dunure Crescent	BONNYBRIDGE	Stir ngshire		FK4 1EG	3 12	311
Mr	Adam	Fyfe	53 K ngsf eld	LINLITHGOW	West Lothian		EH49 7SL	3 12	363
Mrs	Den se Myfanwy	Gardner	16 Meadow Way	Gobowen	OSWESTRY	Shropshire	SY11 3LY	3 12	103
Mr	Chr stopher Dav d	Griff ths	15 Geffr t Road Oak Meadows	Connah s Quay	DEESIDE	Clwyd	CH5 4QR	3 12	882
M ss	Carol ne	Groom	14 Claughton Avenue	CREWE			CW2 6EZ	3 12	259
Mr	Russell A	Ham lton	27 Walnut Gate	Halls de	Cambuslang	GLASGOW	G72 7FG	3 12	519
Mr	Albert Green	Harley	10 Seaf eld Gardens	Seafield	KIRKCALDY	Fife	KY1 1PJ	3 12	1 038
Mrs	Jacqueline	Hatton-Burns	106 West Vale	NESTON	Merseys de		CH64 0TL	3 12	519
Mr	Charles	Hock ng	K rvick	4 Lubna g Gardens	Bearsden	GLASGOW	G61 4QX	3 12	363
Mr	Stephen	Hughes	Aunel	Stanley Road	Ponc au	WREXHAM	Clwyd LL14 1HH	3 12	311
Mr	Jeff Ev	Hunt	1 Craig Place Newton Mearns	GLASGOW			G77 6PA	3 12	519
Mr	Kev n Brady	Hunter	165 Rockhampton Ave	East K lbride	GLASGOW		G75 8EL	3 12	155
Mr	George	Hyslop	19 Qua I Road	AYR			KA8 8LT	3 12	831
Mr	Gary	Jenkins	9 Hathersage Gardens	Ball eston	GLASGOW		G69 6QQ	3 12	519
Mr	Anthony Ke th	Jones	14 Barass e Crescent	Westerwood Green Cumbernauld	GLASGOW		G68 0HP	3 12	831
Mr	Stephen Wynn	Jones	2 Glasfryn Nant Parc	Johnstown	WREXHAM	Clwyd	LL14 1YF	3 12	623
Mr	Dav d John	Jordan	1/22 Gardner Street	GLASGOW			G11 5NG	3 12	155
Mrs	Margaret	Jordan	Flat 3/1 22 Gardner Street	Part ck	GLASGOW		G11 5NG	3 12	155
Ms	Tracy	Kane	11 Old School Court	LINLITHGOW	West Loth an		EH49 7AW	3 12	207
Mr	W ll am	King	17 Dymond Grove	DUNFERMLINE	F fe		KY11 8DE	3 12	519
Mr	Barry	Lak n	52 Masons Way	Codmore H ll Pudborough	PULBOROUGH	West Sussex	RH20 1DZ	3 12	1 038
Mr	Alexander	Lamb	70 Moorside Street	CARLUKE	Lanarksh re		ML8 4EQ	3 12	519
Ms	Joanne	Lewton	45 Sandy Lane	Orford	WARRINGTON		WA2 9BY	3 12	1 558
Mrs	Sandra	Le th	150 Foresthall Drive	GLASGOW			G21 4EP	3 12	519
Miss	Julie	Lockley	20 Trehowell Avenue	Ch rk Bank	WREXHAM	Clwyd	LL14 5EL	3 12	311
Mr	Andrew Mark	Maclellan	4 W rren Place	Kn ghtswood	GLASGOW		G13 4NE	3 12	363
Mr	Peter Norman	Maclennan	63 Colwood Avenue	GLASGOW			G53 7XT	3 12	519
Mrs	Angela	Malcolm	10 Glen Mark East Kilbride	GLASGOW			G74 3UT	3 12	155
Mr	N ell C	McCall	17 Mori ch Park	Dalgety Bay	DUNFERMLINE	F fe	KY11 9XW	3 12	519
Mr	W ll am	McClure	1A Killearn Rd	GREENOCK	Renfrewsh re		PA15 3DD	3 12	302
Mr	Cameron	McEachran	111 Old Castle Road	GLASGOW			G44 5TQ	3 12	2 596
Mr	W ll am M	McEwen	26 Kellywood Crescent	Kincard ne	ALLOA	Clackmannansh re	FK10 4PB	3 12	519
Mr	W llam Russell	McFarlane	7 Andrew Lund e Place	GALSTON	Ayrsh re		KA4 8DQ	3 12	2 596
Mr	Chr stopher	McGauley	E tasad	Luss Road	ALEXANDRIA	Dunbartonsh re	G83 0RH	3 12	519
Mr	Dav d	McKenz e	30 North Road	PORT GLASGOW	Renfrewsh re PA14 5SZ		KA10 6QA	3 12	1 038
Mr	Gordon B	McKinna	46 Brodie Avenue	TROON	Ayrsh re			3 12	311
Mrs	Dsahann A	McLaughl n	138 Pentland Crescent	Merryton Park	LARKHALL	Lanarksh re	ML9 1UR	3 12	535
Mr	Thomas	McM chael	4 Salt Preston Place	PRESTONPANS	East Loth an		EH32 9SQ	3 12	727
Mr	Jamie	McPherson	18 Broomfield Walk	W llowbank	K rkint loch	GLASGOW	G66 3AH	3 12	519
Mr	Dav d Alexander	McTrusty	92 Glencairn Road	AYR			KA7 3HW	3 12	415
Mr	Bryan Nicholas	Morrison	46 Dornsior Road Camelon	FALKIRK			FK1 4BL	3 12	519
Mr	Alan Alexander	Mort mer	Millburn Cottage	63 Glasgow Road	DUMBARTON		G82 1RB	3 12	1 038
Mr	Raymond Joseph	Mu r	1 Alder Gardens	MOTHERWELL	Lanarksh re		ML1 2PD	3 12	1 038
Mrs	Carol Ann	Murray	Drumalbin V ew	96 Stonehill Road	Carm chael Biggar	BIGGAR	Lanarksh re ML12 6FH	3 12	727
Mrs	Cathenne Hughes	Murray	Birkdyn	377 Glasgow Road	Clarkston	GLASGOW	G76 8RN	3 12	519
Mr	Neil	P me	73 Stock St	PAISLEY	Renfrewsh re		PA2 6NG	3 12	311
Mrs	Ann Ross	Sherry	80 Kilpatrick Gardens	Clarkston	GLASGOW		G76 7RH	3 12	311
Mr	Nel Courtney	Sm th	1 Polquhap Place	GLASGOW			G53 7FP	3 12	1 558
Mr	Paul	Sm th	1 Rosebank Gardens	Canal Avenue	JOHNSTONE	Renfrewsh re	PA5 8EA	3 12	311
Mr	Stuart	Stephen	46 Laurelh ll Place	STIRLING			FK8 2JJ	3 12	1 038
Mr	W ll am Gordon	Stephen	Mayben V ew	Sh eldh ll Road	Redd ngmu rhead Flk	FALKIRK	FK2 0DU	3 12	519
Mr	Ian Will am	Stocker	1 Westbourne Drive Rhostyllen	WREXHAM	Clwyd		LL14 4BU	3 12	623
Mr	Anthony Stewart	Taylor	210 D nerth Road Rhos on Sea	COLWYN BAY	Clwyd		LL28 4UH	3 12	1 038
Mr	Gre g	Taylor	21 Glenbank Court	7 Rouken Road	Thorni ebank	GLASGOW	G46 7EG	3 12	207

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Mr	Martin Kevin	Tillett	55 Bishops Walk	ST ASAPH	Clwyd		LL17 0SU	3 12	311
Mr	Paul Anthony	Tolcher	23 Gloucester Road	Wallasey Village	WALLASEY	Merseyside	CH45 3JS	3 12	519
Mr	Malcolm	Tulloch	13 Bryce Avenue	EDINBURGH			EH7 6TX	3 12	1 142
Miss	Katharine Jane	Turner	Second Floor Flat	1 Park Gardens	GLASGOW		G3 7YE	3 12	779
Mr	Paul	Wilkinson	92 Main Street	Spittal	BERWICK UPON TWEED		TD15 1RD	3 12	311
Mr	Craig Archibald	Yorkston	12 West Harbour Road	Cockenzie	PRESTONPANS	East Lothian	EH32 0HX	3 12	581
Mrs	Irene	Carbry	90 Wallacetown Avenue	KILMARNOCK	Ayrshire		KA3 6DS	3 12	519
Mr	Seamus M	Cronin	37 Carlisle St	CREWE			CW2 7NX	3 12	1 350
Mr	Geoff	Hannah	116 Novar Drive	Flat 3/2	GLASGOW		G12 9SX	3 12	727
Mr	Alistair M	Jenkins	12 Glebe Road	Kincardine	ALLOA	Clackmannanshire	FK10 4QB	3 12	519
Mr	Thomas Jack	Pearson	16 Bankhead Terrace	LANARK			ML11 9BW	3 12	519
Miss	Kirsty	McGhie	36 Drieton Gardens	ALLOA	Clackmannanshire		FK10 1NL	3 12	259
Mr	Alan John	Cochrane	10 Beveridge Road	KIRKCALDY	Fife		KY1 1UX	3 12	727
Mrs	Karen	Connor	Ashley 36 Leighton Road	Neston	SOUTH WIRRAL		L64 3SE	3 12	2 596
Mr	Robert	Connor	Ashley 36 Leighton Road	Neston	SOUTH WIRRAL		L64 3SE	3 12	2 596
Mr	Simon Paul	Hunter	20 House Ohill Crescent	EDINBURGH			EH4 5DH	3 12	882
Mr	Godfrey Nigel	Wood	22 Melrose Drive	Great Sutton	ELLESMERE PORT	Merseyside	CH66 2YH	3 12	2 596
Mr	Gordon Robert M	Robertson	10 McArdle Avenue	MOTHERWELL	Lanarkshire		ML1 3NL	3 12	2 596
Mr	Scott	Morrice	4 Old Hall Knowe Place	Wester Inch Village	BATHGATE	West Lothian	EH48 2TN	3 12	1 558
Mr	Brian John	Murray	24 Park Drive Wistaston	CREWE			CW2 8EN	3 12	1 454
									90 839

No SC193794

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2007 JUL 30 A 11:53

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

Special Resolution

of

Scottish Power plc (the "Company")

At an Extraordinary General Meeting of the Company duly convened and held at Glasgow on 15 June 2007 at 12 05 p m , the following Resolution was duly passed as a Special Resolution

Special Resolution

That, conditional on the cancellation of the listing of the Company's non cumulative preference shares of 50 pence each (the "**B Shares**") from the FSA's Official List, and the ceasing of trading of the B Shares on the London Stock Exchange, the Directors be authorised to apply for the re registration of the Company as a private company under the name of Scottish Power Limited and accordingly that

(a) the name "Scottish Power Limited" be substituted for the name "Scottish Power plc" in Clause 1 of the Company's Memorandum of Association,

(b) Clause 2 of the Company's Memorandum of Association be deleted and the remaining clauses be renumbered accordingly,

(c) the regulations contained in the printed document produced to the meeting and signed by the Chairman for purposes of identification be hereby adopted as the amended Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of the Company, and

(d) each of the Directors be and is hereby authorised to do all acts and things so as to carry into effect the purposes of the resolutions specified herein and/or to give or execute any or all notices, communications, or other documents on behalf of the Company in connection with the re registration of the Company as a private company under the name of Scottish Power Limited as any Director may in their absolute discretion think fit.

FRIDAY
FR
COMPANIES HOUSE
SDDG5QTM
SCT 29/06/2007 1619
COMPANIES HOUSE

Chairman

COMPANIES HOUSE
FEE PAID
EDINBURGH

53

LFM GROUP
LASERFORM

Please complete in typescript, or in bold black capitals

CHFP025

Application by a public company for re-registration as a private company

Company Number SC193794

Company Name in full SCOTTISH POWER PLC

applies to be re registered as a private company by the name of

❶ *Please insert name of company* amended to make it appropriate for this company as a private limited company

❶ SCOTTISH POWER LIMITED

and for that purpose delivers the following documents for registration

❷ Please delete if previously presented for registration

1 ❷ [A copy of the Special Resolution that the company be re registered as a private company]

2 A printed copy of the memorandum and articles as altered by the Special Resolution that the company be re registered as a private company

Signed Meelagh J Duffield **Date** 19 June 2007

† Please delete as appropriate

† ~~a director~~ / secretary

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

RHONA GREGG
SCOTTISH POWER, 1 ATLANTIC QUAY, GLASGOW
G2 8SP
Tel 0141 566 4733
DX number DX exchange

FRIDAY

SCT 770
COMPANIES HOUSE

When you have completed and signed the form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff
for companies registered in England and Wales
or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland **DX 235 Edinburgh**

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THE COMPANIES ACTS 1985 AND 1989

MEMORANDUM and ARTICLES OF ASSOCIATION

of

SCOTTISH POWER LIMITED

(Adopted by a special resolution passed on 4 May 2006, amended pursuant to a special resolution dated 30 March 2007 and further amended pursuant to a special resolution dated 15 June 2007)

Company Number 193794
Incorporated on 19 February 1999

THE COMPANIES ACTS 1985 to 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

SCOTTISH POWER LIMITED

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CORPORATE FINANCE

1 The Company's name is SCOTTISH POWER LIMITED (Note 1)

2 The Company's registered office is to be situated in Scotland

3 The Company's objects are (Note 2)

3.1 1 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, 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

3 1.2 To carry on the businesses in all its branches of generating, transmitting, distributing and supplying electricity (including, but without prejudice to the foregoing generality, the business of a public electricity supplier under any authorisation or licence granted pursuant to the Electricity Act (or modification or re enactment thereof) or any other statute or statutory instrument) or any other form of energy and to do anything which the Company is empowered or required to do under or by virtue of any such authorisation or licence

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SCT 13/07/2007 769
COMPANIES HOUSE

3.1 3 To carry on the businesses of manufacturing, supplying, servicing and dealing in all types of plant or equipment used in connection with the generation, transmission, distribution and supply of electricity or any other form of energy

3 1.4 To explore for, produce, import or otherwise obtain any fuel or other raw materials for use in connection with the generation of electricity or any other form of energy and to process and deal in any such raw materials or any by products thereof and to process and deal in any by products which may be obtained from the activities of generating, transmitting, distributing or supplying electricity or any other form of energy

3 1.5 To carry on the businesses in all their branches of retailers, suppliers and dealers in electrical appliances, household and general domestic equipment, fixtures and fittings and all kinds of goods, equipment, materials or installations connected with the use of electricity or any other form of energy whether for domestic, industrial, commercial or other purposes

3 1 6 To carry on the business of a water undertaker, whether pursuant to an appointment or otherwise, including but not limited to the provision, operation, development, maintenance, improvement and extension of a system of water supply, the abstraction, collection, storage, treatment, distribution and supply of water, and the provision, operation, maintenance, improvement and extension of water mains and other pipes.

3 1 7 To carry on the business of a sewerage undertaker, including but not limited to the provision, operation, development, maintenance, improvement and extension of a system of a public sewers, the removal, treatment and disposal of waste, sewerage, sludge and other effluent, and the provision, operation, emptying, cleansing, maintenance, improvement and extension of sewers and drains.

3 1.8 To carry on all or any of the businesses of the running (whether under licence or otherwise), operating, managing, servicing, repairing and dealing in telecommunication and information systems and systems of all kinds for the conveyance by any means of sounds, visual images and signals of all kinds

3 1.9 To provide engineering, construction, consultancy and design services and radio and other communications systems and services, and any facilities, equipment and installations whether related to such services and systems or otherwise.

3 1.10 To conduct, promote and commission research of all kinds and research and development activities of all kinds, whether related to the generation, transmission, distribution and supply of electricity or other form of energy or otherwise, and to exploit and turn to account the results of any such research or research and development carried out by or for the Company

3 1 11 To acquire by any means and hold and deal with any heritable, real or personal property or corporeal or incorporeal rights whatsoever, whether or not for the

purposes of or in connection with any of the foregoing activities, and (without prejudice to the generality of the foregoing) to purchase, take on lease or in exchange, hire or otherwise acquire and hold any heritable or real property and any estate or interest in such property, including without limitation any lands, buildings, installations, structures, servitudes, easements, fishing rights, privileges and concessions and to use, exploit and develop the same

3.1.12 To abstract and divert water from any appropriate source for use in connection with the generation of electricity, having regard to the preservation of amenity and fisheries

3 1 13 To carry on any other trade or business whatever which, in the opinion of the Directors of the Company, can be advantageously carried on in connection with or ancillary to any of the above mentioned businesses or is calculated directly or indirectly to enhance the value of, or render profitable any of, the property or rights of the Company

3 1 14 To carry on any other trade, business, including without limitation any utility business, or activity whatever which, in the opinion of the Directors of the Company, is or may be capable of being carried on directly or indirectly for the benefit of the Company

3 2 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

3 3 To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any trade marks, patents, copyrights, trade secrets, or other intellectual property rights, licences, secret processes, 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

3 4 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

3.5 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.

3.6 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

3.7 To lend and advance money or give credit an 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)

3.8 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.

3.9 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

3 10 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

3 11 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

3 12 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, bands, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world

3 13 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

3 14 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.

3 15 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

3.16 To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub contracts

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

3.18 To distribute among the members of the Company in kind any property of the Company of whatever nature

3 19 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

3.20 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 including insurance for any director, officer or auditor against any liability in respect of any negligence, default, breach of duty or breach of trust (so far as permitted by law), 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 schemes to be established or maintained

3 21 Subject to and in accordance with the provisions of the Act (if and so far as such provisions shall be applicable) to give, directly or indirectly, financial assistance for the acquisition of shares or other securities of the Company or of any other company or for the reduction or discharge of any liability incurred in respect of such acquisition

3 22 To procure the Company to be registered or recognised in any part of the world

3.23 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

3 24 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

3.25 AND so that:

3 25 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

3 25.2 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

3.25.3 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

3 25 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 £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "Ordinary Shares"), ordinary shares of 42/2,907 pence (the "New ScottishPower Shares"), 12,884,044 non cumulative preference B Shares of 50 pence each (the "B Shares"), 370,655,937 deferred shares of 50 pence each (the "Deferred Shares"), one special rights non voting redeemable preference share of £1.00 and 24 unclassified shares of 1 pence each (Notes 3, 4, 5, 6 , 7 and 8)

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	Jordans (Scotland) Limited 24 Great King Street Edinburgh EH3 6QN	One
2	Oswalds of Edinburgh Limited 24 Great King Street Edinburgh EH3 6QN	One
	Total shares taken	Two

Dated this 19th February 1999

Witness to the above Signatures

Cathie Balneaves
24 Great King Street
Edinburgh EH3 6QN

Company Registration Agent

Notes

(1) By special resolution passed on 29 April 1999 which became effective on 30 July 1999, the Company changed its name from New Scottish Power plc to Scottish Power plc By special resolution passed on 15 June 2007 which became effective on 13 July 2007, the Company changed its name from Scottish Power plc to Scottish Power Limited

(2) By ordinary resolution passed on 29 April 1999, sub clauses 3 1 2 to 3 1 14 (inclusive) were adopted

(3) On 22 February 1999 the Company's share capital was increased to £99,998 by the creation of 49,998 redeemable shares of £1 each

(4) By ordinary resolution passed on 29 April 1999, each of the ordinary shares of £1 each in the Company's authorised capital were sub divided into ordinary shares of 50 pence each

(5) By ordinary resolution passed on 29 April 1999, the authorised share capital of the Company was increased to £850,000,001 by the creation of an additional 1,699,800,004 ordinary shares of 50 pence each and one special rights non voting redeemable preference share of £1

(6) By ordinary resolution passed on 21 July 1999, the authorised share capital of the Company was increased to £1,500,000,001 by the creation of an additional

1,300,000,000 ordinary shares of 50 pence each ranking *pari passu* in all respects with the existing ordinary shares of 50 pence each in the capital of the Company

(7) By special resolution passed on 4 May 2006 (becoming effective 15 May 2006 or such other time and/or date as the directors of the Company may determine)

(i) one in every three of the existing issued Ordinary Shares of 50 pence in the capital of the Company held by each holder as at 6 pm on 12 May 2006, was reclassified as one non-cumulative preference B Share of 50 pence each,

(ii) following such reclassification, each remaining existing Ordinary Share in the capital of the Company was subdivided into 50 unclassified shares of one pence each and forthwith upon such subdivision every 42 shares of one pence each resulting from such subdivision were consolidated into one new Ordinary Share of 42 pence (provided that no member was entitled to a fraction of a share and all fractional entitlements arising out of such subdivision and consolidation were aggregated into new Ordinary Shares and the whole number of new Ordinary Shares so arising and any remaining shares of one pence were to be sold and the net proceeds of sale to be paid in due proportion to those shareholders who would otherwise have been entitled to such fractional entitlements save that individual amounts not exceeding £3 were to be retained by the Company), and

(iii) following the reclassification and subdivision and consolidation referred to above, each authorised but unissued existing Ordinary Share was subdivided into 50 unclassified shares of one pence each and forthwith upon such subdivision every 42 shares of one pence each resulting from subdivision were consolidated into one new Ordinary Share

(8) By special resolution passed on 30 March 2007, the Company's existing Ordinary Shares were subdivided and reclassified into ordinary shares of 42/2907 pence each and then cancelled in consideration for the issue of New ScottishPower Shares of 42/2,907 pence each

THE COMPANIES ACTS 1985 AND 1989

ARTICLES OF ASSOCIATION

of

SCOTTISH POWER LIMITED

(Adopted by a special resolution passed on 4 May 2006, amended pursuant to a special resolution dated 30 March 2007 and further amended pursuant to a special resolution dated 15 June 2007)

Company Number 193794
Incorporated on 19 February 1999

THE COMPANIES ACTS 1985 and 1989

A COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SCOTTISH POWER LIMITED

(adopted by a special resolution passed
on 4 May 2006, amended pursuant to a special resolution dated 30 March 2007 and
further amended pursuant to a special resolution dated 15 June 2007)

PRELIMINARY

Non application of statutory regulations

1. None of any regulations set out in any schedule to any statute or any statutory instrument concerning companies shall apply as regulations or articles of the Company

Definitions

2 In these Articles (if not inconsistent with the subject or context) the words in the first column of the table below have the following meanings·

Words	Meanings
the 1985 Act	the Companies Act 1985,
the 1989 Act	the Companies Act 1989;
address	in relation to electronic communications, includes any number or address used for the purposes of such communications,
ADR Depositary	means a custodian or depositary or his nominee, approved by the Directors, under contractual arrangements with the Company by which he or that nominee holds shares in the Company and he or another person issues American depositary receipts evidencing rights in relation to those shares or a right to receive them,
ADR Holder	a person who has an interest in shares of the Company evidenced by an American depositary receipt issued by an ADR Depositary,

Appointed Proxy	has the meaning given in Article 161,
these Articles	these Articles of Association as may be from time to time altered,
auditors	the auditors for the time being of the Company,
certificated share	a share in the capital of the Company that is not an uncertificated share and references in these Articles to a share being held in certificated form shall be construed accordingly,
clear days	in relation to the sending of a notice means that period excluding the day when the notice is sent or deemed to be sent and the day for which it is sent or on which it is to take effect,
Company	Scottish Power Limited (formerly called Scottish Power plc);
Directors	the directors of the Company or those of such directors present at a duly convened meeting of the directors of the Company at which a quorum is present,
electronic signature	has the meaning given by Section 7(2) of the Electronic Communications Act 2000;
employees' share scheme	employees' share scheme as defined in Section 743 of the 1985 Act,
group	group as defined in Section 53 of the 1989 Act,
holder	in relation to shares, the member whose name is entered in the register of members as the holder of shares,
member	a member of the Company,
month	calendar month,
office	the registered office of the Company for the time being,
paid	paid or credited as paid,
parent company	parent company as defined in Section 258 of the 1985 Act,

recognised clearing house	recognised clearing house as defined in Section 285(1)(b) of the Financial Services and Markets Act 2000,
recognised investment exchange	recognised investment exchange as defined in Section 285(1)(a) of the Financial Services and Markets Act 2000,
recognised person	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange,
register of members	either or both of the issuer register of members and the Operator register of members of the Company to be kept pursuant to Section 352 of the 1985 Act,
Regulations	the Uncertificated Securities Regulations 2001 including any modification or re enactment of them for the time being in force,
seal	the common seal of the Company,
Secretary of State	the Secretary of State for Scotland,
securities seal	an official seal kept by the Company by virtue of Section 40 of the 1985 Act,
the Statutes	the 1985 Act, the 1989 Act and every other Act for the time being in force concerning companies and affecting the Company,
statutory reserve	any statutory reserve of the Company as referred to in Section 75 of the Electricity Act 1989,
Sterling	the lawful currency of the United Kingdom,
the London Stock Exchange	London Stock Exchange Limited,
subsidiary	subsidiary as defined in Section 736 of the 1985 Act,
subsidiary undertaking	subsidiary undertaking as defined in Section 258 of the 1985 Act and, for the avoidance of doubt, shall be deemed to include a subsidiary,
transfer office	the place where the register of members is situated for the time being,

transmission event	death, bankruptcy or any other event giving rise to the transmission of a person's entitlement to a share by operation of law,
treasury shares	has the meaning given by the 1985 Act, as amended by The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 and The Companies (Acquisition of Own Shares) (Treasury Shares) No 2 Regulations 2003,
uncertificated share	means (subject to Regulation 42(11)(a) of the Regulations) a share in the capital of the Company title to which is recorded on the Operator register of members of the Company and which may, by virtue of the Regulations, be transferred by means of a relevant system and references in these Articles to a share being held in uncertificated form shall be construed accordingly,
undertaking	undertaking as defined in Section 259 of the 1985 Act,
the United Kingdom	Great Britain and Northern Ireland, and
year	calendar year

Interpretation

3. In these Articles

References to a ***document*** include, unless the context otherwise requires, references to an electronic communication.

References to an ***electronic communication*** mean, unless the contrary is stated, an electronic communication (as defined in the 1985 Act) comprising writing,

References to a document being ***executed*** include references to its being executed under hand or under seal or, in the case of an electronic communication, by electronic signature,

References to an ***instrument*** mean, unless the contrary is stated, a written document having tangible form and not comprised in an electronic communication (as defined in the 1985 Act),

References to a notice or other document being ***sent*** to a person by the Company include references to such notice or other document, or a copy of

such notice or other document, being sent, given, delivered, issued or made available to, or served on, that person by any method authorised by these Articles, and ***sending*** shall be construed accordingly,

References to ***writing*** mean the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether comprised in an electronic communication (as defined in the 1985 Act) or otherwise, and ***written*** shall be construed accordingly;

The expression ***the Company's bankers*** means the Company's bankers or, if the Company engages more than one bank, the Company's principal bankers as may be selected by the Directors,

The expressions ***debenture*** and ***debenture holder*** shall include ***debenture stock*** and ***debenture stockholder*** respectively,

The expression ***member present in person*** shall be deemed to include the presence of a proxy of a member or an authorised representative of a corporate member and cognate expressions shall be construed accordingly,

The expression ***Secretary*** shall (subject to and in accordance with the provisions of the Statutes) include any deputy secretary, assistant secretary and any other person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as joint secretaries shall include any one of those persons,

Any reference to days of notice shall be construed as meaning clear days,

Words denoting the singular shall include the plural and vice versa Words denoting the masculine gender shall include the feminine gender,

Any reference to a person shall be construed as including a reference to an undertaking,

Where any of the provisions of these Articles are stated to apply to an Article referred to by its number only, those provisions shall apply (where relevant) to all and any Articles designated by that number and a capital letter,

Save as aforesaid, any words or expressions defined in the 1985 Act or the 1989 Act shall (if not inconsistent with the subject or context) bear the same meaning in these Articles,

Save as aforesaid, words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Regulations have the same meaning as in the Regulations (but excluding any modification of the Regulations not in force at the date of adoption of these Articles) unless inconsistent with the subject or context;

Subject to the preceding two paragraphs, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re enactment of that provision for the time being in force,

Where for any purpose an ordinary resolution of the Company is expressed to be required under the provisions of these Articles, a special or extraordinary resolution shall also be effective; and where an extraordinary resolution is so expressed to be required, a special resolution shall also be effective;

The index, table of contents, headings and sub headings to Articles are inserted for convenience only and do not affect the construction of these Articles,

Powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them and (a) the word ***Directors*** in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more Directors, any Director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated, (b) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation, and (c) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power, and

In relation to a share, any reference to a relevant system is a reference to the relevant system in which that share is a participating security

BUSINESS

Business activities

4. Any activity or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such activity or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with the same

CAPITAL

Share capital

5 1 The authorised share capital of the Company is £1,500,000,000.84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), ordinary shares of $^{42}/_{2,907}$ pence (the "**New ScottishPower Shares**"), 12,884,044 non cumulative

preference B Shares of 50 pence each (the "**B Shares**"), 370,655,937 deferred shares of 50 pence each (the "**Deferred Shares**"), one special rights non voting redeemable preference share of £1.00 and 24 unclassified shares of 1 pence each.

5 2 The New ScottishPower Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares.

5A.

(A) In this Article, the "**Scheme**" means the scheme of arrangement dated 26 February 2007, between the Company and certain of the shareholders of the Company under section 425 of the 1985 Act in its original form or with or subject to any modification, addition or condition the Court may think fit to approve or impose and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article

(B) Notwithstanding any other provision of these Articles, if the Company issues any Ordinary Shares (other than to Iberdrola, S A ("**Iberdrola**"), its nominee(s) or any of its subsidiaries) after the adoption of this Article and on or before the Reorganisation Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme and the holders of such shares shall be bound by the Scheme accordingly

(C) Subject to the Scheme becoming effective, if any Ordinary Shares are issued to any person after the Reorganisation Record Time, other than

(i) under the Scheme,

(ii) to Iberdrola or its nominee(s) or any of its subsidiaries, or

(iii) to holders ("**Convertible Bondholders**") of the US $700,000,000 four per cent step up perpetual subordinated guaranteed convertible bonds issued by Scottish Power Finance (Jersey) Limited convertible into fully paid four per cent. exchangeable redeemable preference shares of Scottish Power Finance (Jersey) Limited which are guaranteed by the Company and which will be exchangeable immediately upon issue for ScottishPower Shares ("**Convertible Bonds**"), who have exercised their conversion rights under the terms of the Convertible Bonds,

(a "**New Member**") after the Reorganisation Record Time, the said shares (the "**New Member Shares**") shall be issued, subject to Article 5A(F), on terms that they shall (on the Effective Date or, if later, on issue and subject to paragraph (D) below) be immediately transferred to Iberdrola or its nominee(s) in consideration (subject as hereinafter provided) of and conditional on·

(i) the payment by Iberdrola to the New Member of 400 pence in cash and the issue or transfer of 0 1646 of an ordinary share (*acción ordinaria*) of €3 in the capital of Iberdrola (an "**Iberdrola Share**") for each such

New Member Share (or in the event that Iberdrola undertakes any subdivision, alteration or consolidation of its share capital, such number of shares as adjusted to reflect such subdivision, alteration or consolidation) rounded down to the nearest whole number of an Iberdrola Share (or such other proportion of cash and New Iberdrola Shares the economic effect of which is equivalent to the payment of 400 pence in cash and the issue of 0 1646 of an Iberdrola Share) save that in the event that the law or regulation of a country or territory or its internal states or other governmental subdivisions outside the United Kingdom may preclude the allotment or issue or transfer to the New Member of Iberdrola Shares or may preclude the same except after compliance by the Company or Iberdrola (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Iberdrola (as the case may be) is unable to comply or which Iberdrola regards as onerous or in the event that Iberdrola is unable to confirm the availability of an exemption from any such formalities or whether a consent or other relief may be required without undertaking further administrative or other steps or making a request for relief or otherwise, then Iberdrola may in its sole discretion elect to allot or sell such Iberdrola Shares to a third party and remit the proceeds (net of expenses) to the New Member in lieu of 0 1646 of an Iberdrola Share Iberdrola Shares issued on or after the Effective Date, as a consequence of the exercise of options, will be delivered on the fourth Business Day after the Special Conversion Period. Thereafter, participants will receive treasury shares held by Iberdrola, and

(ii) the payment by the Company to each New Member of 12 pence in cash for each New Member Share

(D) Any New Member may, before the allotment of New Member Shares pursuant to the exercise of an option under the ScottishPower Sharesave Scheme, give no less than five Business Days' (a "**Business Day**" being any day other than a Saturday or Sunday on which banks are generally open for business in the City of London, Edinburgh, New York and the city of Madrid (Spain)) written notice to the Company of his or her intention to transfer some or all of such shares to his or her spouse and may, if such notice has been validly given, on such shares being allotted to him or her immediately transfer to his or her spouse any such shares, provided that such shares will then be immediately transferred from that spouse to Iberdrola or its nominee(s) pursuant to paragraph (C) above as if the spouse were a New Member If notice has been validly given pursuant to this paragraph (D) but the New Member does not immediately transfer to his or her spouse the shares in respect of which the notice was given, such shares will be transferred to Iberdrola or its nominee(s) pursuant to paragraph (C) above.

(E) Subject to the Scheme becoming effective, if any Ordinary Shares are issued after the Reorganisation Record Time (as defined in the Scheme) to

Convertible Bondholders who have exercised their conversion rights under the terms of the Convertible Bonds, other than Ordinary Shares which are issued subject to the Scheme or to Iberdrola or its nominee(s) or any of its subsidiaries, the said shares (the "**Bondholder Shares**") shall, subject to Article 5A(F), be issued on terms that they shall (on the Effective Date or, if later, on issue) be immediately transferred to Iberdrola or its nominee(s) in consideration (subject as hereinafter provided) of and conditional on the payment by Iberdrola to the holder of such Bondholder Shares of 400 pence in cash and the issue of 0 1646 of an Iberdrola Share for each such Bondholder Share (or in the event that Iberdrola undertakes any subdivision, alteration or consolidation of its share capital, such number of shares as adjusted to reflect such subdivision, alteration or consolidation) rounded down to the nearest whole number of an Iberdrola Share (or such other proportion of cash and New Iberdrola Shares the economic effect of which is equivalent to the payment of 400 pence in cash and the issue of 0 1646 of an Iberdrola Share) save that in the event that the law or regulation of a country or territory or its internal states or other governmental subdivisions outside the United Kingdom may preclude the allotment or issue to the holder of the Bondholder Shares of Iberdrola Shares or may preclude the same except after compliance by the Company or Iberdrola (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Iberdrola (as the case may be) is unable to comply or which Iberdrola regards as onerous or in the event that Iberdrola is unable to confirm the availability of an exemption from any such formalities or whether a consent or other relief may be required without undertaking further administrative or other steps or making a request for relief or otherwise, then Iberdrola may in its sole discretion elect to allot or sell such Iberdrola Shares to a third party and remit the proceeds (net of expenses) to the holder of such Bondholder Shares in lieu of 0 1646 of an Iberdrola Share for each such Bondholder Share Subject to compliance with the applicable Spanish law requirements, the Iberdrola Shares shall be issued

(i) in the case of Iberdrola Shares to be issued pursuant to conversion notices received from Convertible Bondholders at any time before 6 00 p m (London time) on the eighth Business Day following the Effective Date, on the twelfth Business Day following the Effective Date (the "**Second Issue Date**"),

(ii) in the case of Iberdrola Shares to be issued pursuant to the exercise of conversion rights after the Second Issue Date but before the end of the period of 60 days following the notice to Convertible Bondholders of the Effective Date or, if later, ending 60 days following the date on which notice thereof is given to Convertible Bondholders under the terms and conditions of the Convertible Bonds (the "**Special Conversion Period**"), but after the Second Issue Date, on the fourth Business Day after the end of the Special Conversion Period (the "**Third Issue Date**"), and

(iii) in the case of Iberdrola Shares to be issued pursuant to the exercise of Conversion Rights at any time after the Third Issue Date, Convertible Bondholders exercising their Conversion Rights will receive, as soon as practicable, Iberdrola Shares held as treasury stock

(F) On any reorganisation of, or material alteration to the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the cash payment per share to be paid under paragraphs (C) and (E) of this Article shall be adjusted by the Directors in such manner as they reasonably determine to be appropriate to reflect such reorganisation or alteration References in this Article to Ordinary Shares shall, following such adjustment, be construed accordingly

(G) To give effect to any transfer of New Member Shares and/or Bondholder Shares required pursuant to paragraphs (C) and (E) above, the Company may appoint any person as attorney for the New Member and/or holder of Bondholder Shares to transfer the New Member Shares and/or Bondholder Shares to Iberdrola and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the New Member Shares and/or Bondholder Shares in Iberdrola or its nominee(s) and pending such vesting to exercise all such rights attaching to the New Member Shares and/or Bondholder Shares as Iberdrola may direct. If an attorney is so appointed, the New Member and/or holder of Bondholder Shares shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of Iberdrola) be entitled to exercise any rights attaching to the New Member Shares and/or Bondholder Shares unless so agreed by Iberdrola and the attorney shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member and/or holder of Bondholder Shares (or any subsequent holder) in favour of Iberdrola and/or its nominee and the Company may give a good receipt for the purchase price of the New Member Shares and/or Bondholder Shares and may register Iberdrola and/or its nominee as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member and/or holder of Bondholder Shares for the New Member Shares and/or Bondholder Shares respectively Iberdrola shall send a cheque drawn on a UK clearing bank in favour of the New Member and/or holder of Bondholder Shares (or any subsequent holder) for the cash portion of the purchase price of such New Member Shares and/or Bondholder Shares within five Business Days of the time at which the New Member Shares and/or Bondholder Shares are issued to the New Member and/or holder of Bondholder Shares Iberdrola Shares to be issued after the Effective Date as a consequence of exercise of options or rights under the ScottishPower Share Option Plans during the Special Conversion Period will receive Iberdrola Shares on the Second Issue Date or the Third Issue Date, as applicable Thereafter they will receive Iberdrola Shares from treasury as soon as reasonably practicable

Redeemable shares and shares with special rights

6.(A) Subject to the provisions of the Statutes.

(a) shares may be issued on the terms that they are, or are to be liable, to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles save that the date on or by which, or dates between which, any such shares are to be or may be redeemed may be fixed by the Directors (and if so fixed the date or dates must be fixed before the shares are issued);

(b) without prejudice to any rights attached to any existing shares and subject to (a) above, any shares may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, if the Company does not so determine, as the Directors may determine)

Uncertificated shares

6.(B) Subject to the provisions of the Regulations, the Directors may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security

Not separate class of shares

6 (C) Shares in the capital of the Company that fall within a certain class shall not form a separate class of shares from other shares in that class because any share in that class

(a) is held in uncertificated form, or

(b) is permitted in accordance with the Regulations to become a participating security.

Exercise of Company's entitlements in respect of uncertificated shares

6.(D) Where any class of shares is a participating security and the Company is entitled under any provision of the Statutes, the Regulations or these Articles to sell, transfer or otherwise dispose of, forfeit, re allot, accept the surrender of or otherwise enforce a lien over a share held in uncertificated form, the Company shall be entitled, subject to the provisions of the Statutes, the Regulations, these Articles and the facilities and requirements of the relevant system

(a) to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company,

(b) to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice,

(c) to require the holder of that uncertificated share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the relevant system, necessary to transfer that share within the period specified in the notice,

(d) to require the Operator to convert that uncertificated share into certified form in accordance with Regulation 32(2)(c) of the Regulations, and

(e) to take any action that the board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re allotment or surrender of that share or otherwise to enforce a lien in respect of that share

7 [*Article 7 deleted*]

VARIATION OF CLASS RIGHTS

Method of varying class rights

8.(A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to and in accordance with the provisions of the Statutes, be varied or abrogated either

(a) with the consent of the holders of not less than three fourths of the issued shares of the class (excluding any shares of that class held as treasury shares), which consent shall be by means of one or more instruments and/or contained in one or more electronic communications sent to such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose or a combination of both, or

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

(but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two members present in person holding at least one third in nominal amount of the issued shares of the class (excluding any shares of that class held as treasury shares) (but so that, if at any adjourned meeting a quorum as above defined is not present, any one holder of shares of the class present in person shall be a quorum), that any holder of shares of the class present in person may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him The foregoing provisions of this Article 8 (A) shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes

When class rights deemed to be varied

8 (B) For the purposes of this Article 8, whenever the share capital is divided into different classes of shares, and unless otherwise expressly provided by the rights attached to any share or class of shares, those rights shall be deemed to be varied by

(a) the reduction of the capital paid up on that share or class of shares otherwise than by a purchase or redemption by the Company of its own shares, and

(b) the allotment of another share ranking in priority for payment of a dividend or in respect of capital or which confers on its holder voting rights more favourable than those conferred by that share or class of shares,

but shall not be deemed to be varied by

(c) the creation or issue of another share ranking equally with, or subsequent to, that share or class of shares or by the purchase or redemption by the Company of its own shares, or

(d) the Company permitting, in accordance with the Regulations, the holding of and transfer of title to shares of that or any other class in uncertificated form by means of a relevant system

ALTERATION OF CAPITAL

Increase in capital

9 The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

New shares

10 All new shares created by ordinary resolution pursuant to Articles 9 and 11 shall be

(a) subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture, and

(b) unclassified unless otherwise provided by these Articles, by the resolution creating the shares or by the terms of allotment of the shares

Alterations permitted by ordinary resolution

11 (A) The Company may by ordinary resolution

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares,

(b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled,

(c) sub divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub divided may determine that, as between the holders of the shares resulting from such sub division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares

Fractions arising

11.(B) Whenever any fractions arise as a result of a consolidation or sub division of shares, the Directors may on behalf of the members deal with the fractions as they think fit In particular, without limitation, the Directors may sell shares representing fractions to which any members would otherwise become entitled to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members Where the shares to be sold are held in certificated form the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the buyer Where the shares to be sold are held in uncertificated form, the Directors may do all acts and things they consider necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the buyer The buyer shall not be bound to see to the application of the purchase moneys and his title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in relation to the sale

Power to purchase own shares

12 Subject to and in accordance with the provisions of the Statutes, the Company may purchase any of its own shares (including without limitation any redeemable shares) and may hold such shares as treasury shares but not unless the purchase has been sanctioned by an extraordinary resolution passed at a separate meeting of the holders of any class of convertible shares in the Company carrying rights to convert into equity share capital of the Company

Power to reduce capital

13. Subject to and in accordance with the provisions of the Statutes and to any rights attached to any shares, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner.

SHARES

Allotment

14. Subject to the provisions of the Statutes relating to authority, pre emption rights and otherwise, of any resolution of the Company in general meeting passed pursuant thereto and of these Articles, all unissued shares in the Company shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

Commissions

15 In addition to all other powers of paying commissions, the Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted Any such commissions may be paid in cash or in fully or partly paid shares of the Company, or partly in one way and partly in another, as may be arranged The Company may also on any issue of shares pay such brokerage as may be lawful.

Renunciation

16 The Directors may at any time after the allotment of any share but before any person has been entered in the register of members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose

Interests not recognised

17.(A) Except as required by law or by these Articles, the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the holder or, in the case of a share warrant, in the bearer of the warrant for the time being

Trusts may be recognised

17.(B) The Company shall be entitled, but except as required by law shall not be bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the Company Notwithstanding any such recognition, the Company shall not be bound to see to the execution, administration or observance of any trust, whether express, implied or constructive, in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the holders of such shares as if they were the absolute owners thereof For the purpose of this Article 17 (B), ***trust*** includes any right in respect of any shares of the Company

other than an absolute right thereto in the holder thereof for the time being or such other rights in case of transmission thereof as are mentioned in these Articles.

Issue of share warrants to bearer

18 (A) The Company may, with respect to any fully paid shares, issue a warrant to bearer (hereinafter called a ***share warrant***) stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant The Directors may decide, either generally or in any particular case or cases, that any signature on a share warrant may be applied by mechanical means or printed on it or that the share warrant need not be signed by any person

Conditions of issue

18 (B) The powers referred to in Article 18 (A) may be exercised by the Directors who may determine and vary the conditions upon which share warrants shall be issued and in particular upon which

(a) a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed),

(b) the bearer of a share warrant shall be entitled to attend and vote at general meetings,

(c) dividends will be paid, and

(d) a share warrant may be surrendered and the name of the holder entered in the register of members in respect of the shares specified in it

Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a member for all purposes. The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable thereto whether made before or after the issue of such share warrant.

No right in relation to share

18.(C) The Company shall not be bound or compelled in any way to recognise any right in respect of the share represented by a share warrant other than the bearer's absolute right to the share warrant.

CERTIFICATES

Authentication and form of certificates

19 (A) Every certificate for shares, warrants, debentures or other securities of the Company and every certificate relating to a participation in an employees' share scheme shall (except to the extent that the terms and conditions for the time being

relating thereto otherwise provide) either (a) be issued under the seal (or under a securities seal or, in the case of shares on a branch register, an official seal for use in the relevant territory) or (b) bear the signature of one Director or the Secretary or a person authorised to subscribe the certificate on behalf of the Company or (c) both, provided that the Directors may by resolution determine, either generally or in any particular case or cases, that any such signature shall be affixed by some method or system of mechanical signature. Every such Certificate shall specify the number and class of shares, debentures or other securities to which it relates and the amount paid up thereon No certificate shall be issued representing shares, debentures or other securities of more than one class No certificate need be issued in respect of shares, debentures or other securities held by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of which the Company is not required by law to complete and have ready for delivery a certificate

Evidence of title to securities

19 (B) Nothing in these Articles shall require title to any securities of the Company to be evidenced or transferred by an instrument, the regulations from time to time made under the Statutes so permitting The Directors shall have power to implement any procedures as they may think fit and as may accord with the Statutes and any regulations made thereunder for the recording and transferring of title to securities and for the regulation of those procedures and the persons responsible for or involved in their operation

Members' rights to certificates

20. Every member, on becoming the holder of any certificated share (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) shall be entitled, without payment, to one certificate for all the certificated shares of each class held by him (and, on transferring a part of his holding of certificated shares of any class, to a certificate for the balance of his holding of certificated shares). He may elect to receive one or more additional certificates for any of his certificated shares if he pays for every certificate after the first a reasonable sum determined from time to time by the board of Directors Every certificate shall

(a) be executed under the seal or otherwise in accordance with Article 125 or in such other manner as the Directors may approve, and

(b) specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares

The Company shall not be bound to issue more than one certificate for certificated shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them Shares of different classes may not be included in the same certificate

Transfer of a part

21 Where a member transfers some only of the shares comprised in a share certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge

Cancellation and replacement of certificates

22.(a) Any two or more certificates representing shares of any one class held by any member may, at his request, be cancelled and a single new certificate for all such shares issued in lieu at a reasonable charge

(b) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request at a reasonable charge.

(c) If a share certificate shall be damaged, defaced, worn out, or alleged to have been lost, stolen or destroyed, it may be replaced by a new certificate on request subject to (in the case of damage, defacement or wearing out) delivery up of the certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions (if any) as to evidence and indemnity as the Directors think fit Any such replacement certificate shall be issued without charge save that, in the case of alleged loss, theft or destruction, the person to whom a new certificate is issued shall pay to the Company any exceptional out of pocket expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of the requisite form of indemnity as aforesaid

(d) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders

CALLS ON SHARES

Power to make calls

23. The Directors may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of issue thereof made payable at fixed times Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company, at the time or times and place so specified, the amount called on his shares A call may be required to be paid in instalments and may be either revoked or postponed by the Directors in whole or in part at any time before receipt by the Company of a sum due thereunder A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made

Time when call made

24 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed

Liability of and receipts by joint holders

25 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and any one of such persons may give an effectual receipt for any return of capital payable in respect of such share

Interest payable

26 If a sum called in respect of a share is not paid in whole or in part before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of the allotment of the share or in the notice of the call or, if no rate is fixed, the rate determined by the Directors, not exceeding 15 per cent per annum or, if higher, the appropriate rate (as defined in the 1985 Act), and all expenses that may have been incurred by the Company by reason of such non payment, but the Directors shall be at liberty, in any case or cases, to waive payment of such interest and expenses, wholly or in part No dividend, or other payment or distribution, in respect of any such share shall be paid or distributed and no other rights, which would otherwise normally be exercisable in accordance with these Articles by a holder of fully paid shares, may be exercised by the holder of any share so long as any such amount, or any interest, costs, charges or expenses payable in accordance with this Article 26 in relation thereto, remains unpaid

Deemed calls

27 Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable In the case of non payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become due and payable by virtue of a call duly made and notified

Differentiation in calls

28 The Directors may, subject to the terms of the allotment, make arrangements on the issue of shares to differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

Payments of calls in advance

29 The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held

by him, and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made The Company may pay interest upon the moneys so received (until and to the extent that the same would but for such advance become payable) at such rate not exceeding (unless the Company by ordinary resolution otherwise directs) 15 per cent per annum or, if higher, the appropriate rate (as defined in the 1985 Act) as the member paying such sum and the Directors agree upon. No sum paid up in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend, or other payment or distribution, subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become payable

FORFEITURE, SURRENDER AND LIEN

Notice requiring payment of call on default

30 If a member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for payment thereof, the Directors may, at any time thereafter, send a notice to him requiring payment of so much of the call or instalment as is unpaid together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non payment

Content of notice

31 The notice shall name a further day (not being less than fourteen days from the date of sending the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that, in the event of non payment in accordance therewith, the shares on which the call was made will be liable to be forfeited

Forfeiture for non compliance

32 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter, before payment of all calls, interest, costs, charges and expenses due in respect thereof has been received by the Company, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends, and other payments or distributions, declared in respect of the forfeited share and not actually paid or distributed before forfeiture The Directors may accept a surrender of any share liable to be forfeited hereunder

Notice of forfeiture

33. When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be sent to the holder of the share, or the person entitled to the share by transmission as the case may be, and, where the forfeited share is held in certificated form, an entry of such notice having been sent, and of the forfeiture with the date thereof, shall forthwith be made in the register of members opposite to the entry of the share but no forfeiture shall be, in any manner, invalidated by any omission or neglect to send such notice or to make such entry as aforesaid

Annulment of forfeiture

34 Notwithstanding any such forfeiture or surrender as aforesaid, the Directors may, at any time before the forfeited or surrendered share has been otherwise disposed of, annul the forfeiture or surrender upon the terms of payment of all calls and interest due upon and expenses incurred in connection with the call and forfeiture proceedings and upon any further or other terms they may think fit

Sale of forfeited shares

35 A share so forfeited or surrendered shall become the property of the Company and may (subject to and in accordance with the provisions of the Statutes) be sold, re allotted or otherwise disposed of, either to the person who was, before such forfeiture or surrender, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and whether with or without all or any part of the amount previously paid on the share being credited as paid Where, for the purposes of its disposal, a forfeited share held in certificated form is to be transferred to any person, the Directors may authorise any person to execute an instrument of transfer of the share to that person Where, for the purpose of its disposal, a forfeited share held in uncertificated form is to be transferred to any person, the Directors may exercise any of the Company's powers under Article 6 (D) The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share

Extinction of rights

36 A person, all or any of whose shares have been forfeited or surrendered, shall cease to be a member in respect of the forfeited or surrendered shares and shall, if the share is a certificated share, surrender the certificate for any share forfeited or surrendered to the Company for cancellation Such person shall remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender, were presently payable by him to the Company in respect of the shares, with interest thereon the rate at which interest was payable on those moneys before the forfeiture or surrender or, if no interest was payable, at the rate determined by the Directors, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined in the 1985 Act), from the date of forfeiture or surrender until payment but the Directors may waive payment of such interest either wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender

Company to have lien on shares

37. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share. The Company shall also, insofar as is permitted by the Statutes, have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member, or his estate, to the Company The lien shall apply (a) notwithstanding that those debts and liabilities have been incurred before or after

notice to the Company of any equitable or other interest of any person other than such member, (b) whether or not the period for the payment or discharge of the same shall have actually arrived; and (c) notwithstanding that the same are joint debts or liabilities of such member, or his estate, and any other person, whether a member of the Company or not The Company's lien (if any) on a share shall extend to all dividends and other payments or distributions payable or distributable thereon or in respect thereof The Directors may waive any lien which has arisen and may declare any share to be exempt, wholly or partially, from the provisions of this Article 37

Enforcement of lien by sale

38. The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless some sum, in respect of which the lien exists, is presently payable nor until the expiration of fourteen days after a notice stating and demanding payment of the sum presently payable, and sending notice of the intention to sell in default, shall have been sent to the holder for the time being of the share or the person entitled thereto by reason of a transmission event To give effect to that sale the Directors may, if the share is a certificated share, authorise any person to execute an instrument of transfer in respect of the share sold to, or in accordance with the directions of, the buyer If the share is an uncertificated share, the Directors may exercise any of the Company's powers under Article 6.(D) to effect the sale of the share to, or in accordance with the directions of, the buyer The buyer shall not be bound to see to the application of the purchase money and his title to the share shall not be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

Application of proceeds

39 The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists, so far as the same are presently payable, and any residue shall (if the share sold is a certificated share, on surrender to the Company for cancellation of the certificate in respect of the share sold and, whether the share sold is a certificated or uncertificated share, subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale.

Giving effect to the sale

40 A statutory declaration contained in an instrument that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share Such declaration, and the receipt of the Company for the consideration (if any) given for the share on the sale, re allotment or disposal thereof together with, in relation to certificated shares, the share certificate delivered to a purchaser or allottee thereof, shall (subject if necessary to the execution of an instrument of transfer or transfer by means of a relevant system, as the case may be)

constitute a good title to the share and the person to whom the share is sold, re allotted or disposed of shall be registered as the holder of the share, and shall not be bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re allotment or disposal of the share, and the remedy of any person aggrieved in respect thereof shall be in damages only and against the Company exclusively.

TRANSFER OF SHARES

Form and execution of transfers

41 Except as may be provided by any procedures implemented pursuant to Article 19.(B), all transfers of certificated shares shall be effected by an instrument in any usual or common form, or in any other form acceptable to the Directors. The instrument of transfer shall be executed by, or on behalf of, the transferor and (except in the case of fully paid shares) by, or on behalf of, the transferee The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof All transfers of uncertificated shares shall be effected in accordance with the Regulations

Suspension of registration

42 The registration of transfers may be suspended and the register of members closed, at such times and for such period as the Directors may from time to time determine and either generally or in respect of any class of shares provided that the register of members shall not be closed for more than thirty days in any year, except that the Directors may not suspend the registration of transfers of any participating security without the consent of the Operator of the relevant system

Refusal to register

43 The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of a certificated share which is not a fully paid share, provided that the refusal does not prevent dealings in the shares in the Company from taking place on an open and proper basis.

Requirements for registration of transfer

44.(A) The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register the transfer of a certificated share unless the instrument of transfer (a) is in respect of only one class of share, (b) is duly stamped, or adjudged or certified as not chargeable to stamp duty, and is deposited at the transfer office, or at such other place as the Directors may from time to time determine, accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf the authority of that person so to do), and (c) is in favour of not more than four transferees jointly. In the case of a transfer by a recognised clearing house or a

nominee of a recognised clearing house or of a recognised investment exchange, the lodgment of share certificates will only be necessary if, and to the extent that, certificates have been issued in respect of the shares in question.

Notice of refusal to register

44 (B) If the Directors refuse to register a transfer of a share in certificated form, they shall send the transferee notice of their refusal within two months after the date on which the instrument of transfer was lodged with the Company

Retention of transfers

45. All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of refusal is given

No fee payable for registration of transfers

46 No fee will be charged by the Company in respect of the registration of any instrument of transfer, confirmation, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the register of members affecting the title to any shares.

Renunciations recognised and new transfer procedures

47. Nothing in these Articles shall preclude the Directors

(a) from recognising a renunciation of the allotment of any share by the allottee in favour of some other person, or

(b) if empowered by these Articles to authorise any person to execute an instrument of transfer of a share, from authorising any person to transfer that share in accordance with any procedures implemented pursuant to Article 19 (B)

DESTRUCTION OF DOCUMENTS

Permitted times for destruction

48 (A) The Company shall be entitled to destroy

(a) all share certificates which have been cancelled at any time after the expiration of one year from the date of such cancellation,

(b) all notifications of change of name and address and all dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of two years from the date of the recording of such notification or, as the case may be, the date of such cancellation or cessation,

(c) all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration thereof;

(d) all paid dividend warrants and cheques at any time after the expiration of two years from the date of actual payment;

(e) all proxy appointments which have been used for the purpose of a poll at any time after the expiration of one year from the date of use;

(f) all proxy appointments which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the proxy appointments relate and at which no poll was demanded, and

(g) any other documents on the basis of which any entry in the register of members has been made at any time after the expiration of six years from the date of the first entry in the register of members in respect thereof

Presumptions as to validity

48 (B) It shall conclusively be presumed in favour of the Company that (a) every entry in the register of members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, (b) that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered; (c) every share certificate so destroyed was a valid and effective document duly and properly cancelled, and (d) every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company.

Provided always that

(i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice of any claim (regardless of the parties thereto) to which the document might be relevant,

(ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid, or in any other circumstances, which would not attach to the Company in the absence of this Article 48,

(iii) references herein to the destruction of any document include references to the disposal thereof in any manner

TRANSMISSION OF SHARES

Transmission

49.(A) In case of the death of a member, the survivors or survivor where the deceased was a joint holder, or the executors or administrators of the deceased where he was a

sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article 49 shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him

Registration on death, bankruptcy, etc.

49 (B) Subject to the provisions of Article 49.(A), any person becoming entitled to a share in consequence of a transmission event may (subject as hereinafter provided), upon such evidence being produced as may from time to time properly be required by the Directors, elect either to become the holder of the share or to have another person nominated by him registered as the transferee. The Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before the occurrence of the transmission event.

Elections required

49 (C) If a person becoming entitled by transmission to a share elects to become the holder he shall send notice to the Company to that effect If he elects to have another person registered and the share is a certificated share, he shall execute an instrument of transfer of the share to that person. If he elects to have himself or another person registered and the share is an uncertificated share, he shall take any action the Directors may require (including without limitation the execution of any document and the giving of any instruction by means of a relevant system) to enable himself or that person to be registered as the holder of the share All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the transmission event as aforesaid, had not occurred and the notice or transfer were a transfer signed by that member The Directors may at any time send a notice requiring a person becoming entitled to a share on a transmission event to elect to be registered himself or to transfer the share and, if the notice is not complied with within sixty days, the Directors may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with

Rights of persons entitled by transmission

49 (D) Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a registered share in consequence of a transmission event (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the holder of the share That person may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the holder of the share, be entitled (except with the authority of the Directors) to receive notices of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a member, unless and until he shall have become a member in respect of the share.

DISCLOSURE OF INTERESTS IN SHARES

Interpretation of and definitions for Article 50

50 (A) For the purposes of this Article 50:

(a) a person other than the member holding a share shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a Section 212 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;

(b) ***interested*** shall be construed as it is for the purpose of Section 212 of the 1985 Act;

(c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (i) reference to his having failed or refused to give all or any part of it and (ii) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular,

(d) ***the prescribed period*** means fourteen days;

(e) an ***approved transfer*** means, in relation to any shares held by a member·

(i) a transfer by way of or pursuant to acceptance of a take over offer for the Company (within the meaning of Section 428(1) of the 1985 Act); or

(ii) a transfer in consequence of a sale made through a recognised investment exchange or recognised clearing house or any other stock exchange or market outside the United Kingdom on which the Company's shares are normally traded, or

(iii) a transfer which is shown to the satisfaction of the Directors to be made in consequence of a *bona fide* sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares

Disenfranchisement

50 (B) If a member, or any other person appearing to be interested in shares held by that member, has been sent a notice under Section 212 of the 1985 Act and has failed in relation to any shares (***the default shares***, which expression shall include any further shares which are allotted or issued in respect of such shares) to give the Company the information thereby required within the prescribed period from the date of sending the notice, then the Directors may, in their absolute discretion at any time

thereafter, by notice (a ***direction notice***) to such member (which shall be conclusive against such member and its validity shall not be questioned by any person) direct, with effect from sending the notice (and subject to Article 50 (D)), that.

(a) the member shall not be entitled in respect of the default shares to attend or vote (either in person or by proxy or (if the member is a corporation) by authorised representative) at any general meeting or at any separate meeting of the holders of that class of shares or on a poll; and

(b) where the default shares represent 0.25 per cent. or more in nominal value of the issued shares of their class (excluding any shares of that class held as treasury shares)·

(i) no payment shall be made by way of dividend and no share shall be allotted pursuant to Article 141 below,

(ii) no transfer of any shares held by the member shall be registered unless.

(aa) the member is not himself in default as regards supplying the information required and the member provides evidence to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer,

(bb) the transfer is an approved transfer, or

(cc) registration of the transfer is required by the Regulations

Sending notices to non members

50 (C) The Company shall send to each other person appearing to be interested in the shares which are the subject of a direction notice, a copy of such notice at the same time as the notice is sent to the relevant member, but the failure or omission to do so, or the non receipt by that person of the copy, shall not invalidate or otherwise affect the application of Article 50.(B).

Sending notices to an ADR Depositary

50.(D) Where the member to whom the notice under Section 212 of the 1985 Act is sent is an ADR Depositary acting in its capacity as such:

(a) the obligations of the ADR Depositary as a member pursuant to the preceding provisions of this Article 50 shall be limited to disclosing to the Company such information relating to the shares in question as has in each such case been recorded pursuant to the terms of any agreement entered into between the ADR Depositary and the Company, provided that nothing in this Article 50 (D) shall in any other way restrict the powers of the Directors under this Article 50, and

(b) the sanctions under Article 50.(B) and the directions contained in any direction notice sent under Article 50.(B) shall not be effective unless the relevant direction notice sent to the ADR Depositary states that a specified ADR Holder or Holders, as the case may be, is or are believed to be interested in a specified number of shares, and that those shares are default shares (as defined in Article 50.(B) above).

Cessation of disenfranchisement

50.(E) The sanctions under Article 50.(B) above shall have effect for so long as the default in respect of which the direction notice was issued continues and shall cease to have effect

(a) if the shares are transferred by means of an approved transfer, or

(b) when the Directors are satisfied that the information required by the notice mentioned in that Article has been received in writing by the Company (such determination to be made within a period of one week of the default being duly remedied with written notice thereof being sent forthwith to the member)

The Directors may at any time send notice cancelling a direction notice

Conversion of uncertificated shares

50.(F) The Company may exercise any of its powers under Article 6 (D) in respect of any default share that is held in uncertificated form

51 [*Article 51 deleted*]

UNTRACED SHAREHOLDERS

Power to dispose of shares of untraced shareholders

52 (A) The Company shall be entitled to sell, in such manner as the Directors see fit and at the best price reasonably obtainable, any share held by a member or any share to which a person is entitled by transmission if·

(a) for a period of 12 years before the giving of notice pursuant to sub paragraph (c) no cheque or warrant for amounts payable in respect of the share, sent and payable in a manner authorised by these Articles has been cashed and no communication in respect of the share has been received by the Company from the member or person concerned;

(b) during that period at least three dividends in respect of the share have become payable,

(c) the Company has, after the expiration of that period, by advertisement in one Scottish and one leading national newspaper and in a newspaper circulating in the area to which the cheques or warrants were sent, and by notice to the Quotations Department of The London Stock Exchange if shares of the class

concerned are listed or dealt in on that exchange, given notice of its intention to sell such share, and

(d) the Company has not, during the further period of three months after the date of the advertisement and prior to the sale of the share, received any communication in respect of the share from the member or person concerned

Power to dispose of additional shares

52.(B) The Company shall also be entitled to sell, in the manner provided for in this Article 52, any share (***additional share***) issued during the said period or periods of 12 years and 3 months in right of any share to which Article 52 (A) applies or in right of any share issued during either of such periods, provided that the requirements of sub paragraphs (a) (but modified to exclude the words "for a period of 12 years before the giving of notice pursuant to sub paragraph (c)"), (c) (but modified to exclude the words "after the expiration of that period") and (d) of Article 52 (A) are satisfied in respect of such additional share.

Transfer on sale

52 (C) To give effect to any sale pursuant to Article 52.(B), the Directors may:

(a) where the shares are held in certificated form, appoint any person to execute as transferor, an instrument of transfer of the shares to, or in accordance with the directions of, the buyer, or

(b) where the shares are held in uncertificated form, do all acts and things they consider necessary or expedient to effect the transfer of the shares to, or in accordance with, the directions of the buyer

Sale procedure and application of proceeds

52.(D) An instrument of transfer executed in accordance with Article 52 (C)(a) shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto An exercise by the Company of its powers in accordance with Article 52 (C)(b) shall be as effective as if exercised by the registered holder of or the person entitled by transmission to the shares The Company shall be indebted to the former member or other person previously entitled to the said shares for an amount equal to the net proceeds of sale, but no trust shall be created and no interest shall be payable in respect of the proceeds of sale. The Company shall not be required to account for any money earned on the net proceeds of sale, which may be used in the Company's business or invested in such a way as the Directors may from time to time think fit

STOCK

Conversion into stock

53. Subject to the provisions of these Articles, the Company may, from time to time, by ordinary resolution, convert any fully paid shares into stock or reconvert any stock into fully paid shares of any denomination If and whenever any shares of any class in the capital of the Company for the time being shall have been issued and be fully paid, and at that time the shares of that class previously issued shall stand converted into stock, such further shares, upon being fully paid, shall *ipso facto* be converted into stock transferable in the same units as the existing stock of that class.

Transfer of stock

54 The holders of stock may transfer the same or any part thereof, unless otherwise directed by ordinary resolution of the Company, in the same manner and subject to the same regulations as those subject to which the shares from which the stock arose might, previously to conversion, have been transferred (or as near thereto as circumstances admit), but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine

Rights of stockholders

55. The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such right, privilege or advantage (except as regards participation in the dividends, profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right, privilege or advantage All the provisions of these Articles applicable to paid up shares shall apply to stock, and the words ***share*** and ***member*** shall include ***stock*** and ***holder of stock*** respectively.

GENERAL MEETINGS

Types of general meetings

56 An annual general meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors All other general meetings shall be called extraordinary general meetings

Extraordinary general meetings

57. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an extraordinary general meeting in accordance with the Statutes

General meetings at more than one place

58.(A) The Directors may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at another place designated by the Directors as a satellite meeting place The members present in person or by proxy at any satellite meeting place shall be counted in the quorum for, and be entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to:

(a) participate in the business for which the meeting has been convened,

(b) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place, and

(c) be heard and seen by all other persons so present in the same way

The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place

Interruption or adjournment where facilities inadequate

58.(B) If it appears to the chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in Article 58 (A), then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting All business conducted at that general meeting up to the time of that adjournment shall be valid The provisions of Article 66 shall apply to that adjournment

Other arrangements for viewing/hearing proceedings

58 (C) The Directors may make arrangements for persons entitled to attend a general meeting or an adjourned general meeting to be able to view and hear the proceedings of the general meeting or adjourned general meeting and to speak at the meeting (whether by the use of microphones, loudspeakers, audio visual communications equipment or otherwise) by attending at a venue anywhere in the world not classified as a satellite meeting place. Those attending at any such venue shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote at the meeting at or from that venue The inability for any reason of any member present in person or by proxy or any other person at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting

Controlling level of attendance

58.(D) The Directors may from time to time make such arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant

to Article 58 (C) (including without limitation the issue of tickets or the imposition of some other means of selection) as they in their absolute discretion consider appropriate, and may from time to time change those arrangements. If a member, pursuant to those arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at any other venue for which arrangements have been made pursuant to Article 58.(C) The entitlement of any member to be present at such venue in person or by proxy shall be subject to any such arrangement then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting.

Change in place and/or time of meeting

58.(E) If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors decide that it is impracticable or unreasonable for a reason beyond their control to hold the meeting at the declared place (or any of the declared places, in the case of a meeting to which Article 58 (A) applies) and/or time, it may change the place (or any of the places, in the case of a meeting to which Article 58.(A) applies) and/or postpone the time at which the meeting is to be held. If such a decision is made, the Directors may then change the place (or any of the places, in the case of a meeting to which Article 58 (A) applies) and/or postpone the time again if they decide that it is reasonable to do so In either case

(a) no new notice of the meeting need be sent, but the Directors shall, if practicable, advertise the date, place and time of the meeting in at least one leading Scottish and one leading national daily newspaper and shall make arrangements for notices of the change of place and/or postponement to appear at the original place and/or at the original time, and

(b) a proxy appointment in relation to the meeting may, if by means of an instrument, be delivered to the office or such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 82 (A)(a), or, if contained in an electronic communication, be received at the address (if any) specified by or on behalf of the Company in accordance with Article 82.(A)(b) at any time not less than 48 hours before any new time appointed for holding the meeting

Meaning of participate

58 (F) For the purposes of this Article 58, the right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote on a show of hands, vote on a poll, be represented by a proxy and have access to all documents which are required by the Statutes or these Articles to be made available at the meeting

Security

58.(G) The Directors and, at any general meeting, the chairman may make any arrangement and impose any requirement or restriction they or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place The Directors and, at any general meeting, the chairman are entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions

NOTICE OF GENERAL MEETINGS

Recipients of notice

59 (A) Subject to the provisions of the Statutes, to the provisions of these Articles and to the restrictions imposed on any shares, notice of a general meeting shall be sent to all members, to each of the Directors and to the auditors. Notice of general meetings shall also be sent to all Appointed Proxies if and to the extent that they would have been entitled under these Articles to receive such notice had they been a member

Period of notice

59 (B) An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been sent to the Company, shall be called by twenty one clear days' notice at the least, and any other extraordinary general meeting by fourteen clear days' notice at the least sent in the manner hereinafter mentioned to the auditors and to all members and Appointed Proxies other than such as are not under the provisions of these Articles entitled to receive such notices from the Company, provided that a general meeting, notwithstanding that it has been called by shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed

(a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat, and

(b) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

A Director shall be entitled to receive notice of, and to attend and speak at, any general meeting or class meeting, notwithstanding that he is not a member of the Company.

Accidental omission to send notice

59.(C) The accidental omission to send a notice of a meeting, or to send any notification where required by the Statutes or these Articles in relation to the publication of a notice of meeting on a website, or to send a form of proxy where required by the Statutes or these Articles, to any person entitled to receive it, or the non receipt for any reason of any such notice or notification or form of proxy by that person, whether or not the Company is aware of such omission or non receipt, shall not invalidate the proceedings at that meeting

Contents of notice

60 (a) Every notice calling a general meeting shall specify the place and the day and hour of the meeting (including without limitation any satellite meeting place arranged for the purposes of Article 58 (A), which shall be identified as such in the notice), and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company

(b) In the case of an annual general meeting, the notice shall also specify the meeting as such.

(c) In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect.

(d) The notice shall include details of any arrangements made for the purpose of Article 58 (C) (making clear that participation in these arrangements will not amount to attendance at the meeting to which the notice relates).

Routine business

61 Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say

(a) sanctioning or declaring dividends,

(b) receiving and/or adopting the accounts, the reports of the Directors and auditors and other documents required to be annexed to the accounts,

(c) appointing or re appointing the retiring auditors (unless they were last appointed otherwise than by the Company in general meeting),

(d) fixing the remuneration of the auditors or determining the manner in which such remuneration is to be fixed, and

(e) appointing or re appointing directors to fill vacancies arising at the meeting on retirement by rotation or otherwise

Notice of resolutions

62 The Directors shall, on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided:

(a) send to the members entitled to receive notice of the next annual general meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting;

(b) send to the members entitled to receive notice of any general meeting, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

Quorum

63 No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business and during the transaction of business Three persons entitled to vote upon the business to be transacted, each being a member, the proxy of a member or a duly authorised representative of a corporation which is a member shall be a quorum.

If quorum not present

64. If within fifteen minutes from the time appointed for a general meeting (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved In any other case, or if during the transaction of business the quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same place and time, or to such other day and at such other place and time as the chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved

Chairman

65 The chairman of the Directors, failing whom one of the deputy chairmen, failing whom one of any vice chairmen (to be chosen, if more than one are present and in default of agreement amongst themselves, by lot) shall preside as chairman at a general meeting If there be no such chairman or deputy chairman or vice chairman, or if at any meeting none of them be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director is present or if all the Directors present

decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting

Adjournments

66 The chairman of the meeting may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place In addition (and without prejudice to the chairman's power to adjourn a meeting conferred by Article 58 (B)), the chairman may adjourn the meeting to another place and time without such consent if it appears to him that.

(a) it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present, or

(b) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting, or

(c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted

Place and time of adjourned meetings

67 Any such adjournment pursuant to Article 66 may be to such other place (or, in the case of a meeting held at a principal meeting place and a satellite meeting place, such other places) and for such time as the chairman may, in his absolute discretion determine, notwithstanding that by reason of such adjournment some members or other persons entitled to attend and vote may be unable to be present at the adjourned meeting. Any such member or any Appointed Proxy may nevertheless appoint a proxy for the adjourned meeting either in accordance with Article 82.(A)(a) or by means of an instrument which, if delivered by him to the chairman or the Secretary, shall be valid even though it is given at less notice than would otherwise be required by Article 82 (A)(a) When a meeting is adjourned for 30 days or more or for an indefinite period, notice shall be sent at least seven clear days before the date of the adjourned meeting specifying the place and time (or places, in the case of a meeting to which Article 58 (A) applies) of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to send any notice of an adjournment or of the business to be transacted at an adjourned meeting

Amendments to resolutions

68. No amendment to a resolution duly proposed as an ordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error) unless either (a) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and the intention to move it has been lodged by means of an instrument at the registered office of the Company, or received in an

electronic communication at such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose, or (b) the chairman in his absolute discretion decides that the amendment may be considered and voted on If an amendment shall be proposed to any resolution under consideration, but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in such ruling In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon

Methods of voting

69. At any general meeting a resolution (other than a Special or Extraordinary Resolution) put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll as hereinafter mentioned) demanded by either

(a) the chairman of the meeting, or

(b) not less than five persons having the right to vote at the meeting,

(c) a member or members present in person holding not less than one tenth of the total voting rights of all the members having the right to vote at the meeting (excluding voting rights attached to any shares held as treasury shares), or

(d) a member or members present in person holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right (excluding any shares of that class held as treasury shares)

A demand by a person as a proxy for a member shall be the same as a demand by the member and in such case references in sub paragraphs (c) and (d) above to shares held by a member shall be deemed to be references to the shares in respect of which such person has been appointed proxy All Special Resolutions and Extraordinary Resolutions shall be decided only on a poll

Declaration of result and conduct of poll

70. A demand for a poll may be withdrawn at any time before the conclusion of the meeting or the taking of the poll, whichever is the earlier Unless a poll is required or duly demanded (and the demand is not withdrawn) a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. Any poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of a poll shall be deemed to be the

resolution of the meeting at which the poll was demanded The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll

Chairman's casting vote

71 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the votes to which he may be entitled as a member or as a proxy or authorised representative of a member

When poll to be taken

72 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith A poll held on any other question shall be taken either immediately or at such subsequent time (being not more than thirty days after the date of the meeting) and place as the chairman may direct No notice need be sent of a poll not taken immediately.

Continuance of meeting

73 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

VOTES OF MEMBERS

Right to vote

74. Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member present in person (but excluding for this purpose, the proxy of a member or the proxy of an Appointed Proxy) and entitled to vote shall have one vote, and on a poll every member present in person and entitled to vote shall have one vote for every share held by him

Votes of joint holders

75 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy or (if such senior member is a corporation) by authorised representative, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding

Member under incapacity

76. A member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) for the protection or management of the affairs of persons incapable of managing their own affairs, may vote, whether on a show of hands or on a poll, by his committee, receiver, *curator bonis* or other person in the nature of a committee, receiver or curator bonis appointed by such court, and any such committee, receiver, *curator bonis* or other person may, on a poll, vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the transfer office, or at such other place (if any) as is specified for the delivery of proxy appointments in accordance with these Articles, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting) for the taking of the poll at which it is desired to vote

Calls in arrears

77 No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to attend or vote at a general meeting either personally or by proxy or (if the member is a corporation) by authorised representative to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of shares in the Company remains unpaid

ADMISSIBILITY OF VOTES

Objections to voting

78 If (a) any objection shall be raised to the qualification of any person to vote or to the admissibility of any vote or (b) any votes have been counted which ought not to have been counted or which might have been rejected or (c) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error raised or pointed out in due time shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting The decision of the chairman on such matters shall be final and conclusive

Supplementary provisions on voting

79 On a poll votes may be given either personally or by proxy or (if the member is a corporation) by authorised representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way

PROXIES

Proxy need not be member

80. A proxy need not be a member of the Company

Appointment and form of proxy

81 (A) Subject to Article 81 (C), the appointment of a proxy, whether by means of an instrument or contained in an electronic communication, shall be executed in such manner as the Directors may approve. Subject thereto, the appointment of a proxy shall be executed by the appointor or his attorney or, if the appointor is a corporation, executed by a duly authorised officer, attorney or other authorised person or under its common seal For the purpose of this Article and Articles 81 (B) and 82, an electronic communication which contains a proxy appointment need not comprise writing if the Directors so determine and in such a case, if the Directors so determine, the appointment need not be executed but shall instead be subject to such conditions as the Directors may approve

81 (B) The appointment of a proxy shall be in any usual form or in any other form which the Directors may approve Subject thereto, the appointment of a proxy may be.

(a) by means of an instrument, or

(b) contained in an electronic communication sent to such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose

The Directors may, if they think fit, but subject to the provisions of the Statutes, at the Company's expense send forms of proxy for use at the meeting and issue invitations contained in electronic communications to appoint a proxy in relation to the meeting in such form as may be approved by the Directors The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion

81 (C) A proxy may also be appointed in accordance with Article 162(ii)

81.(D) The Directors may, but shall not be bound to, require evidence of the authority of any person executing a proxy appointment on behalf of the appointor If the Directors do not require such evidence, when they otherwise determine, Article 82 (B) shall not apply and the first sentence of Article 82 (C) shall be read accordingly

Delivery of form of proxy

82.(A) Without prejudice to Article 58.(E)(b) or to the second sentence of Article 67, the appointment of a proxy shall

(a) in the case of an instrument, be delivered personally or by post to the office or such other place within the United Kingdom as may be specified by or on behalf of the Company for that purpose

(i) in the notice convening the meeting, or

(ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting,

not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed time for holding the meeting pursuant to Article 58 (E)) at which the person named in the appointment proposes to vote, or

(b) in the case of an appointment contained in an electronic communication, where an address has been specified by or on behalf of the Company for the purpose of receiving electronic communications

(i) in the notice convening the meeting, or

(ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting, or

(iii) in any invitation contained in an electronic communication to appoint a proxy issued by or on behalf of the Company in relation to the meeting,

be received at that address not less than 48 hours before the time for holding the meeting or adjourned meeting (or any postponed time for holding the meeting pursuant to Article 58 (E)) at which the person named in the appointment proposes to vote, or

(c) in either case, where a poll is taken more than 48 hours after it is demanded, be delivered or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, or

(d) in the case only of an instrument, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary

82 (B) Any power of attorney or other authority contained in an instrument under which a proxy appointment is executed shall be contained in an instrument and the same or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such instrument shall be

(a) delivered personally or by post to the office, or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 82 (A), not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed

time for holding the meeting pursuant to Article 58 (E)) at which the person named in the appointment proposes to vote, or

(b) where a poll is taken more than 48 hours after it is demanded, be delivered as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, or

(c) in the case only of a proxy appointment by means of an instrument, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary together with the proxy appointment to which it relates

82 (C) A proxy appointment which is not delivered or received in accordance with Article 82 (A) or in respect of which Article 82 (B) has not been complied with, shall be invalid. No proxy appointment shall be valid after the expiration of twelve months from the date stated in it as the date of its execution, except a power of attorney containing a power to act and vote for a member at meetings of the Company, and such a power, if once duly intimated to the Company, shall not require to be again deposited at the transfer office of the Company When two or more valid proxy appointments are delivered or received in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the other as regards that share, if the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share

82.(D) A proxy appointment relating to more than one meeting (including any adjournment thereof) having once been sent for the purposes of any meeting shall not require again to be sent in relation to any subsequent meetings to which it relates

Issue of forms of proxy

83 Subject to the provisions of the Statutes, the Directors may, if they think fit, at the expense of the Company, issue forms of proxy for use by the members with or without prepaid postage and with or without inserting therein the names of any of the Directors or any other person as proxies

Validity of forms of proxy

84 A proxy appointment shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting, and shall also be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit The proxy appointment shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates

Revocation of proxy etc.

85 A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous revocation of the authority of the person voting or demanding the poll unless notice of the revocation was either delivered or received as mentioned in the following sentence at least forty eight hours before the start of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll. Such notice of revocation shall be either by means of an instrument delivered to the office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 82 (A)(a) or contained in an electronic communication received at the address (if any) specified by or on behalf of the Company in accordance with Article 82 (A)(b), regardless of whether any relevant proxy appointment was effected by means of an instrument or contained in an electronic communication For the purpose of this Article, an electronic communication which contains such notice of revocation need not comprise writing if the Directors have determined that the electronic communication which contains the relevant proxy appointment need not comprise writing

INCORPORATED MEMBERS ACTING BY REPRESENTATIVES

Authority of representatives

86. Any corporation which is a member of the Company (in this Article, the ***grantor***) may (by resolution of its directors or other governing body or by authority to be given under the hand of any officer duly authorised by it) authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any separate meeting of the holders of any class of shares A person so authorised shall be entitled to exercise the same power on behalf of the grantor of the authority (in respect of that part of the grantor's holding to which his authorisation relates, in the case of an authorisation of more than one person) as the grantor could exercise if it were an individual member of the Company, and the grantor shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it For the purpose of this Article 86, the expression ***corporation*** shall include a company whether incorporated in the United Kingdom or overseas.

DIRECTORS

Limits on number of directors

87 The number of Directors (other than alternate directors) shall not be less than four or more than sixteen The Company may, by ordinary resolution, from time to time vary the minimum and/or maximum number of Directors

Director need not be member

88 A Director shall not be required to hold a share qualification but a Director who is not a member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at all general meetings of the Company and all separate meetings of the holders of any class of shares of the Company

Non Executive Directors' fees

89 (A) Subject to the provisions of the Statutes, the Directors may enter into, vary and terminate an agreement or arrangement with any Director who does not hold executive office for the provision of his services to the Company Subject to Article 89(B), any such agreement or arrangement may be made on such terms as the Directors may determine.

89 (B) The fees paid to the Directors who do not hold executive office for their services in the office of director shall not exceed in aggregate £350,000 per annum or such higher amount as the Company may from to time by ordinary resolution determine Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Directors Any fee payable pursuant to this Article 89(B) shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to other provisions of these Articles or any contract or arrangement between the Company and the relevant Director

Directors' expenses

90. The Directors may repay to any Director all such proper and reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee or general meetings or otherwise in or about the business of the Company

Directors' remuneration

91 Any Director who is appointed to any executive office (including for this purpose the office of chairman or deputy chairman or vice chairman whether or not such office is held in an executive capacity) or who serves on any committee or who acts as trustee of a retirement benefits scheme or employees' share scheme or who otherwise performs services which, in the opinion of the Board or any committee thereof, are outside the scope of the ordinary duties of a Director or who makes any special exertions in going or residing abroad or otherwise in or about the business of the Company, may be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine

Retirement and other benefits

92 (A) Without prejudice to the general power of the Directors under these Articles to exercise on behalf of the Company (by establishment or maintenance of schemes or otherwise) all the powers of the Company to give, or procure the giving of, retirement,

death or disability benefits, annuities or other allowances, emoluments or benefits to, or for the benefit of, any person, and without restricting the generality of their other powers, the Directors shall have power to pay, and agree to pay, retirement, death or disability benefits, annuities or other allowances, emoluments or benefits to any Director, ex Director, officer or ex officer of the Company or of its predecessors in business or of any other undertaking which is (a) the parent undertaking of the Company or (b) a subsidiary undertaking of the Company or of such parent undertaking or (c) otherwise allied to or associated with the Company or any such parent undertaking or subsidiary undertaking or in which the Company or such parent undertaking or subsidiary undertaking has any interest whether directly or indirectly and to the husbands, wives, widowers, widows, children, families, dependants and personal representatives of any such Director, ex Director, officer or ex officer, and, for the purpose of providing any such benefits, annuities, allowances or emoluments, to establish or contribute to any trust, scheme, association, arrangement or fund or to pay premiums, and shall have power to establish trusts, schemes, associations, arrangements or funds considered to be for the benefit of any such persons aforesaid A Director, ex Director, officer or ex officer shall not be accountable to the Company or the members for any such benefit, annuities, allowances or emoluments, and the receipt of the same shall not disqualify any person from being or becoming a Director of the Company

Insurance

92 (B) Without prejudice to the provisions of Article 159, the Directors shall have power to purchase and maintain insurance for, or for the benefit of, any persons who are or were at any time Directors, officers or employees of the Company, or of any other undertaking which is (a) the parent undertaking of the Company or (b) a subsidiary undertaking of the Company or of such parent undertaking or (c) otherwise allied to or associated with the Company or any such parent undertaking or subsidiary undertaking or in which the Company or such parent undertaking or subsidiary undertaking has any interest whether directly or indirectly or who are or were at any time trustees of any retirement benefits scheme or employees' share scheme in which employees of the Company or of any such other undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other undertaking, retirement benefits scheme or employees' share scheme

Directors' interests in contracts with the Company

93 (A) Subject to the provisions of the Statutes and to Article 109, a Director or alternate Director may be a party to, or in any way interested in, any contract or arrangement or transaction to which the Company is a party, or in which the Company is in any way interested, and he may hold and (in addition to any other remuneration provided for by, or pursuant to, any other Article) be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or of any

subsidiary undertaking of the Company) under the Company or any other undertaking in which the Company is in any way interested, and he (or any firm of which he is a member) may act in a professional capacity for the Company, or any such other undertaking, and be remunerated therefor, and in any such case as aforesaid (unless otherwise agreed), the Director may retain, for his own absolute use and benefit, all profits and advantages accruing to him thereunder or in consequence thereof

Appointments with other undertakings

93.(B) Subject to any agreement to the contrary between the Company and the Director, a Director of the Company may be or become a director or other officer of, or otherwise interested in, any undertaking promoted by the Company or in which the Company may be interested, and (unless otherwise agreed) shall not be accountable to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of, or from his interest in, such other undertaking The Directors may also cause the voting power conferred by the shares in any other undertaking held or owned by the Company or interest or right in such undertaking to be exercised in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution or decision appointing themselves or any of them to be directors, officers or servants of, or to any other position in, such other undertaking, or voting or providing for the payment of remuneration to the directors, officers or servants of, or any holders of any other position in, such other undertaking

Executive office

94 (A) The Directors may from time to time appoint one or more of their number to be the holder of any executive office or make any appointment by them of a Director conditional upon his accepting any executive office (including, where considered appropriate, the office of chairman, deputy chairman or vice chairman, managing, joint managing, deputy or assistant managing director or chief, deputy chief or assistant chief executive) and may enter into an agreement or arrangement with any such Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director Any such appointment, agreement or arrangement may be made on such terms, and for such period, as they may (subject to and in accordance with the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment

When termination of appointment automatic

94 (B) The appointment of any Director to any of the executive offices specifically mentioned in Article 94.(A) above shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company

When termination of appointment not automatic

94 (C) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the

contract or resolution under which he holds or is removed from office shall expressly state otherwise, in which event the termination of his office if he ceases to be a Director shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company

Delegation of powers

95 The Directors may entrust to, and confer upon, any Director any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with, or to the exclusion of, their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers

APPOINTMENT AND RETIREMENT OF DIRECTORS

Age limit

96 Any provisions of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate the office of Director on account of his having reached the age of seventy or any other age or of requiring special notice or any of the special formalities in connection with the appointment of any Director over a specified age shall not apply to the Company, provided that, in the case of the appointment of a Director who has attained the age of seventy, his age shall be stated in the notice convening the general meeting (or in any document accompanying the same) at which he is proposed to be elected or re elected.

Disqualification of a director

97 The office of Director shall be vacated in any of the following events, namely.

(a) if, pursuant to any provisions of the Statutes, he is removed or prohibited from being a director,

(b) if he becomes bankrupt, insolvent, apparently insolvent or makes any arrangement or composition with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act, or

(c) if he is, or may be, suffering from mental disorder and/or either

(i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or

(ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his

detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or

(d) if he resigns his office by notice to the Company or, having been appointed for a fixed term, the term expires or his office as a director is vacated pursuant to Article 104; or

(e) if he shall be absent from meetings of the Directors for six consecutive months without leave and his alternate Director (if any) shall not, during such period, have attended in his stead and the Directors shall resolve that his office be vacated, or

(f) if he shall be removed from office by notice in writing sent to him signed by all his co Directors, but so that in the case of a Director holding an executive office which automatically determines on his ceasing to be a Director such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent termination of his executive office

Number of directors to retire

98 At the annual general meeting in every year one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office, but

(a) if any director has at the start of the annual general meeting been in office for more than three years since his last appointment or re appointment, he shall retire, and

(b) if there is only one director who is subject to retirement by rotation, he shall retire.

Which directors to retire

99 Subject to the provisions of the Statutes and these Articles, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re election Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re election or appointment and so that, as between persons who became or were last re elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board of Directors of the Company at the date of the notice convening the annual general meeting and no Director shall be required to retire, or be relieved from retiring, by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting A retiring Director shall be eligible for re election

When directors deemed to be re-appointed

100 The Company at the meeting at which a Director retires under any provision of these Articles may (subject to Article 102) by ordinary resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and lost If he is not reappointed or deemed to have been reappointed, be shall retain office until the meeting appoints someone in his place or, if he does not do so, until the end of the meeting.

Resolution

101 A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting, unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it and any resolution moved in contravention of this provision shall be void.

Eligibility for election

102 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting unless, not less than seven nor more than twenty eight days before the day appointed for the meeting, there shall have been received at the office notice addressed to the Secretary and executed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice executed by the person to be proposed of his willingness to be elected The notice to be received from the proposing member shall state the particulars of the nominee which would, if he were appointed, be required to be included in the Company's register of directors maintained by the Company in terms of Section 288 of the 1985 Act

Additional powers of the Company

103 The Company may, in accordance with and subject to the provisions of the Statutes, by ordinary resolution of which special notice has been given, remove any Director from office notwithstanding any provision of these Articles or of any contract between the Company and such Director (but without prejudice to any claim he may have for damages for breach of any such contract) and by ordinary resolution appoint another person in place of a Director so removed from office, and any person so appointed shall be treated, for the purpose of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director In default of such appointment, the vacancy arising upon the removal of a Director from office may be filled by the Directors as a casual vacancy

Appointment by ordinary resolution or by directors

104 The Company may, by ordinary resolution, appoint any person to be a Director either to fill a casual vacancy or as an additional Director and without prejudice and in addition thereto, the Directors shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that, in either case, the total number of Directors shall not at any time exceed the maximum number (if any) fixed by, or in accordance with, these Articles Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting

ALTERNATE DIRECTORS

Power to appoint alternate directors

105 (A) Any Director (other than an alternate director) may at any time, by notice executed by the Director, appoint any person (including another Director) to be his alternate Director, and may, in like manner, at any time terminate such appointment. If such alternate Director is not another Director, such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved Subject to the preceding sentence of this Article, such appointment or termination shall take effect in accordance with the terms of the notice on receipt of such notice by the Company which shall, in the case of a notice contained in an instrument, be sent to the office and addressed to the Secretary, or otherwise be delivered at a meeting of the Directors or, in the case of a notice contained in an electronic communication, be sent to such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose Any of the Directors may appoint the same alternate Director For the purposes of this Article, an electronic communication which contains an appointment or termination need not comprise writing if the Directors so determine and in such a case, if the Directors so determine, the appointment or termination need not be executed but shall instead be subject to such conditions as the Directors may approve

Termination

105 (B) The appointment of an alternate Director shall automatically determine on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases to be a Director or if the approval of the Directors to his appointment is withdrawn, provided that if, at any meeting, any Director retires by rotation or otherwise but is re elected at the same meeting, any appointment made by him pursuant to this Article 105 which was in force immediately before his retirement shall remain in force as though he had not retired An alternate Director may, by sending notice to the office of the Company, resign such appointment. Such notice shall be sent to the Company in the same manner as is referred to in Article 105 (A) and shall take effect upon receipt of the same by the Company

Alternate to receive notices

105 (C) An alternate Director shall (except when absent from the United Kingdom) be entitled, if his appointor so requests, to receive notices of meetings of the Directors to the same extent as the Director appointing him and shall be entitled to attend and vote as a Director and be counted for the purposes of a quorum at any such meeting at which the Director appointing him is not personally present and, generally, at such meeting to perform all functions, powers and duties of his appointor as a Director and, for the purposes of the proceedings at such meeting, the provisions of these Articles shall apply as if he were a Director If he shall himself be a Director, or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall count as only one for the purpose of determining whether a quorum is present. If his Appointor is for the time being absent from the United Kingdom, or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees formed under Article 114 (A), this Article 105 (C) shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles

Alternate may be paid expenses but not remuneration

105 (D) An alternate Director may be repaid expenses, and shall be entitled to be indemnified, by the Company to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company any remuneration in respect of his services as an alternate Director, except only such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice to the Company from time to time direct.

Alternate not an agent of appointor

105 (E) Except as otherwise expressly provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director Accordingly, except where the context otherwise requires, a reference to a Director shall be deemed to include a reference to an alternate Director An alternate Director shall be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him

PROCEEDINGS OF DIRECTORS

Meetings of directors

106 Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit Questions arising at any meeting shall be determined by a majority of votes In case of an equality of votes, the chairman of the meeting shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall,

at any time summon a meeting of the Directors Notice of a meeting of the Directors shall be deemed to be properly sent to a Director if it is sent to him personally or by word of mouth or sent by instrument to him at his last known address or such other address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose or sent using electronic communications to such address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose A Director absent or intending to be absent from the United Kingdom may request the Directors that notices of meetings of Directors shall, during his absence, be sent by instrument to him at such address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose or sent using electronic communications to such address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose but, in the absence of any such request, it shall not be necessary to send notice of a meeting of Directors to any Director for the time being absent from the United Kingdom A Director may waive notice of any meeting either prospectively or retrospectively Without prejudice to the first sentence of this Article 106, a meeting of the Directors, or of a committee of the Directors, may consist of a conference between Directors who are not all in one place, but of whom each is able, directly or by telephonic or other communication, to speak to each of the others and to be heard by each of the others simultaneously A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the chairman of the meeting then is The word ***meeting*** in these Articles shall be construed accordingly Any electronic communication pursuant to this Article 106 need not comprise writing if the Directors so determine

Authority to vote

107. A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him at that meeting, and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote Any such authority must be in writing which must be produced at the meeting at which the same is to be used and be left with the Secretary for retention For the purpose of this Article, an electronic communication which contains an authority need not comprise writing if the Directors so determine.

Quorum

108 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and, unless so fixed at any other number, shall be two A meeting of the Directors, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Directors

Directors' interests

109 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract (or any transaction or arrangement whether or not constituting a contract) with the Company or any subsidiary undertaking of the Company shall declare the nature of his interest in accordance with the provisions of the Statutes. For the purposes of this Article 109.

(a) a general notice sent to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified, and

(b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

Directors' powers to vote

110.(A) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which (together with any interest of any person connected with him) he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

Where interest does not prevent voting

110.(B) Subject to the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely

(a) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of, or for the benefit of, the Company or any of its subsidiary undertakings,

(b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security,

(c) any proposal concerning the subscription or purchase by him of shares, debentures or other securities of the Company pursuant to an offer or invitation to members or debenture holders of the Company, or any class of them, or to the public or any section of them,

(d) a contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be interested as a participant in the underwriting or sub underwriting thereof,

(e) a contract, arrangement, transaction or proposal concerning any other body corporate in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 346 of the 1985 Act) does not hold an interest (as that term is used in Sections 198 to 211 of the 1985 Act) representing 1 per cent or more of the issued shares of any class of the equity share capital (excluding any shares of that class held as treasury shares) of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purposes of this Article 110 to be a material interest in all circumstances). For the purpose of this sub paragraph (e) there shall be disregarded any shares held by a Director as simple trustee under the law of Scotland and of a bare or custodian trustee under the laws of England and Wales and in which he has no beneficial interest and any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder,

(f) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the contract or arrangement relates, and

(g) a contract, arrangement, transaction or proposal concerning insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company or for persons who include Directors of the Company.

Interests of connected persons and alternates

110 (C) For the purpose of this Article 110, an interest of a person who is, for the purpose of the 1985 Act, connected with (which words shall have the meaning given thereto by Section 346 of the 1985 Act) a Director shall be treated as an interest of the Director and, in relation to an alternate, an interest of his appointor shall be treated as an interest of the alternate without prejudice to any interest which the alternate has otherwise.

Consideration of matters involving two or more directors

110 (D) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any undertaking in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (e) of Article 110 (B) or otherwise precluded from

voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution, except that concerning his own appointment

Materiality of directors' interests

110.(E) If any question shall arise at any meeting as to the materiality of a Director's interest, or as to the entitlement of any Director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (or, if the Director concerned is the chairman, to the other Directors at the meeting) and his ruling in relation to any Director other than himself (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive, except in a case where the nature or extent of the interests of such Director (or, as the case may be, the chairman) has not been fairly disclosed

Power of directors if number falls below minimum

111 The continuing Directors may act notwithstanding any vacancies in their number, but if, and so long as, the number of Directors is reduced below the number fixed by, or in accordance with, these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning general meetings of the Company, but not for any other purpose If there are no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors

Chairman

112 The Directors may elect a chairman (or make any appointment by them of a Director conditional upon his becoming the chairman) and one or more deputy chairmen and determine the period for which each is to hold office The chairman or, in his absence, one of any deputy chairmen shall preside at meetings of the Directors, but if no chairman or deputy chairman shall have been appointed, or if at any meeting none of them be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting If at any time there is more than one deputy chairman or vice chairman, the right to preside at a meeting of Directors shall in the absence of the chairman be determined as between the deputy chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors

Resolutions in writing

113 A resolution in writing, executed by all the Directors for the time being in the United Kingdom and all the alternate Directors (if any) for the time being in the United Kingdom whose appointors are for the time being absent from the United Kingdom (provided that their number is sufficient to constitute a quorum) or by all the members of a committee formed under Article 114 (A) for the time being, shall be as valid and effective as a resolution passed at a meeting of the Directors or, as the case may be, of such committee duly convened and held For this purpose

(a) a resolution may be by means of an instrument or contained in an electronic communication sent to such address (if any) as may for the time being be notified by the Company for that purpose, and

(b) a resolution may consist of several instruments and/or several electronic communications, each executed by one or more Directors or alternate Directors or members of the committee concerned, or a combination of both

Committees of directors

114 (A) The Directors may delegate any of their powers or discretions (including, for the avoidance of doubt, any powers or discretions relating to the remuneration of Directors) to committees consisting of one or more of the Directors and (if thought fit) one or more other persons co opted as hereinafter provided Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub delegate to one or more Directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the Directors may specify, and may be revoked or altered Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations which may from time to time be imposed by the Directors Any such regulations may provide for, or authorise, the co option to the committee of persons other than Directors and for such co opted members to have voting rights as members of the committee, but so that (a) the number of co opted members shall be less than one half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors or alternates of Directors

Proceedings of committees

114 (B) The meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under Article 114.(A)

Use of designation *Director*

115 The Directors may appoint any person to any office or employment having a designation or title including the word ***Director***, or attach to any existing office or employment with the Company such a designation or title, and may terminate any such appointment or the use of any such designation or title Unless the appointment of the holder has been recorded in the register of directors maintained by the Company in terms of Section 288 of the 1985 Act, the inclusion of the word ***Director*** in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles.

Validity of proceedings

116 All acts done by any meeting of Directors or of any such committee or by any person acting as a Director shall, as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Directors (or their alternates), or member of the committee, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director (or alternate Director) or member of the committee and had been entitled to vote

GENERAL POWERS OF DIRECTORS

Business to be managed by the directors

117 (A) The business and affairs of the Company shall be managed by the Directors who, subject to and in accordance with the provisions of the Statutes, the Memorandum of Association of the Company (the ***Memorandum***) and these Articles and to any directions given by special resolution, may exercise all the powers of the Company No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given The general powers given by this Article 117 shall not be limited, or restricted, by any special authority or power given to the Directors by these Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors

Exercise by Company of Voting Rights

117 (B) The Directors may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as they think fit (including without limitation the exercise of that power in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate)

Local boards

118 (A) The Directors may make such arrangements as they think fit for the management and transaction of the Company's affairs in any specified locality, whether in the United Kingdom or elsewhere, and, without prejudice to the generality of the foregoing, may at any time, and from time to time, (a) establish any regional, divisional or local boards, committees or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, (b) appoint any one or more of the Directors, or any other person or persons, to be members of such regional, divisional or local boards or committees, or any managers or agents, and may fix their remuneration, (c) delegate to any regional, divisional or local board or committee, manager or agent any of the powers, authorities and discretions vested in the Directors with power to sub delegate, (d) authorise the members of any regional, divisional or local boards or committees or any of them, to fill any vacancies therein, and to act

notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and (e) remove any person so appointed, may fix the quorum of the said regional, divisional or local boards or committees, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby

Agents

118.(B) The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the Directors determine, including without limitation authority for the agent to delegate all or any of his powers, authorities and discretions, and may revoke or vary such delegation

Powers of attorney

119. The Directors may, from time to time and at any time, by power of attorney or otherwise, appoint any person or undertaking, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period, and subject to such conditions, as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub delegate all or any of the powers, authorities and discretions vested in him The Directors may delegate all or any of their powers under this Article 119

Official seal for use abroad

120 The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

Overseas and local registers

121 Subject to and to the extent permitted by the Statutes and the Regulations, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory outside the United Kingdom a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit in respect of the keeping of any such register

Execution by the Company

122 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such

manner as the Directors or any duly authorised committee of the Directors shall from time to time determine.

BORROWING POWERS

General power to borrow

123.(A) Subject as hereinafter provided, the Directors may exercise all the powers of the Company to borrow money and to pledge or grant any security over all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to and in accordance with the Statutes, to issue debentures, debenture stock and other securities whether terminable, redeemable or perpetual and whether outright or as collateral security for any guarantee, debt, liability or obligation of the Company or of any third party

Definitions for and interpretation of Article 123

123 (B) For the purposes of this Article 123

Adjusted Capital and Reserves shall be interpreted in accordance with Article 123 (D);

equity share capital has the same meaning as in Section 744 of the 1985 Act,

Excepted Foreign Currency Borrowings means moneys borrowed denominated or repayable in a currency other than sterling which have the benefit of an exchange cover scheme,

exchange cover scheme means HM Treasury exchange cover scheme, forward currency contract, currency option, back to back loan, swap or other arrangement taken out or entered into to reduce the risks associated with fluctuations in the exchange rates,

finance lease means a contract between a lessor and a member of the Group as lessee or sub lessee where substantially all the risks and rewards of the ownership of the asset leased or sub leased are to be borne by the lessee or sub lessee,

Group means the Company and its subsidiary undertakings for the time being,

hire purchase agreement means a contract of hire between a hire purchase lender and a member of the Group as hirer,

Investments means at any time the aggregate of

(a) cash at bank and in hand,

(b) deposits (including for the avoidance of doubt, certificates of deposit) for a term not exceeding six months and money at call, and

(c) securities issued by the Government of the United Kingdom which are traded on a recognised investment exchange

Latest Accounts means in the case where

(a) the Company has no subsidiary undertakings, the latest published audited balance sheet of the Company, or

(b) the Company has subsidiary undertakings but there is no audited consolidated balance sheet of the Group, the respective latest published audited balance sheets of the undertakings comprising the Group;

(c) the Company has subsidiary undertakings some only of whose audited balance sheets are consolidated in the latest published audited balance sheet of the Group, the latest published consolidated audited balance sheet of the Group together with the latest published audited balance sheets of those subsidiary undertakings whose audited balance sheets are not included in the consolidated audited balance sheet of the Group, and

(d) the Company has subsidiary undertakings all of whose audited balance sheets are consolidated in the latest published audited consolidated balance sheet of the Group, the latest published consolidated audited balance sheet of the Group

and in this Article 123 references to balance sheets shall be construed as balance sheets prepared for the purposes of the Statutes in accordance with the historical cost convention or that convention with modifications provided that if balance sheets prepared for the purposes of the Statutes have not been prepared in accordance with the historical cost convention but have been prepared in accordance with the current cost convention references to balance sheets are to be taken as references to balance sheets prepared for the purpose of the Statutes in accordance with the current cost convention but adjusted as the Auditors, after consultation with the Directors, consider appropriate to enable the aggregate amount referred to in Article 123 (C) below to be calculated as though derived from a balance sheet prepared in accordance with the historical cost convention or that convention as applied with such modifications as may be appropriate in the circumstances and references to the Latest Accounts shall be construed accordingly,

moneys borrowed shall be interpreted in accordance with Article 123 (E),

outside interests means the proportion of the nominal amount of the issued equity share capital of a partly owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company, and

subsidiary undertaking shall be construed as a subsidiary undertaking of the Company

Maximum limit on borrowings

123.(C) The Directors shall restrict the moneys borrowed by the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate principal amount (including any fixed or minimum premium payable on final repayment) at any one time outstanding in respect of all moneys borrowed (whether secured or not) by the Group (exclusive of moneys borrowed by any member of the Group from any other member of the Group, subject to paragraph (c) of Article 123 (E)) for the time being, subject as hereinafter provided, shall not without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the higher of (i) £10,000,000,000 and (ii) two and a half (2½) times the Adjusted Capital and Reserves;

Adjusted capital and reserves

123 (D) For the purposes of this Article 123, the expression ***Adjusted Capital and Reserves*** shall mean at the relevant time the aggregate of

(a) the amount for the time being paid up or credited as paid up on the issued share capital of the Company and such of the share capital as has been unconditionally allotted but not issued, and

(b) the total of the amounts standing to the credit of the reserves of the Group (including any share premium account, capital redemption reserve, revaluation reserve and statutory reserve and after adding any credit balance or deducting any debit balance on the profit and loss account),

all based on the Latest Accounts after

(i) making such adjustments as may be appropriate to reflect any variations since the date of the Latest Accounts in such share capital or reserves and so that for this purpose (aa) if the Company proposes to issue or has issued any shares for cash and the issue has been underwritten then the amount (including any premium) of the subscription moneys so underwritten (not being moneys payable later than six months after the date the underwriting becomes unconditional) shall be deemed to have been paid up on the date when the issue of such shares was underwritten (or if such underwriting was conditional, on the date when the underwriting becomes unconditional) and (bb) subject as aforesaid, share capital (including any premium) shall be deemed to have been paid up as soon as it has been unconditionally agreed to be subscribed or taken up by any person (provided it is to be so subscribed or taken up within six months of such agreement),

(ii) excluding any sums attributable to outside interests in any subsidiary undertaking and making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiary undertakings since the date of the Latest Accounts,

(iii) deducting any distributions declared, recommended or made by a member of the Group (other than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the Latest Accounts to the extent that any such distributions are not provided for therein,

(iv) making all such adjustments, if the calculation is required for the purposes of, or in connection with, a transaction under or in connection with which any undertaking is to become or cease to be a subsidiary undertaking, as would be appropriate if such transaction had been carried into effect, and

(v) making such other adjustments (if any) as the auditors may consider appropriate to provide for the carrying into effect of the transaction for the purposes of which the Adjusted Capital and Reserves requires to be calculated or otherwise.

Moneys borrowed

123.(E) (a) For the purposes of this Article 123, ***moneys borrowed*** shall, subject to paragraph (b) of this Article 123.(E), be deemed to include the following, except in so far as otherwise taken into account

(i) the principal amount for the time being outstanding and owing by a member of the Group in respect of any debenture (other than the debenture dated 30th April, 1991 issued in favour of the Secretary of State pursuant to a direction made under Section 71 of the Electricity Act 1989) whether issued for cash or otherwise,

(ii) the principal amount raised by a member of the Group by acceptances under any acceptance credit opened on its behalf and in its favour by any bank or accepting house (not being acceptances in respect of the purchase or sale of goods or the provision of services in the ordinary course of business which are outstanding for six months or less),

(iii) the nominal amount of any share capital and the principal amount of any borrowings of any person (together in each case with any fixed or minimum premium payable on final repayment) the redemption or repayment of which is guaranteed or wholly or (to the extent the same is partly secured) partly secured by a member of the Group (but excluding any such share capital which is for the time being beneficially owned by, and (as determined in accordance with paragraph (c) of this Article 123.(E)) any such borrowings which are for the time being owed to, a member of the Group);

(iv) the nominal amount of any share capital (not being equity share capital) of any subsidiary undertaking owned otherwise than by the Company or another subsidiary undertaking,

(v) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account, and

(vi) any amount in respect of a hire purchase agreement or of a finance lease payable in either case by a member of the Group which would be shown as being so payable in a balance sheet prepared in accordance with the accounting principles used in the preparation of the Latest Accounts

(b) For the purposes of this Article 123 moneys borrowed shall be deemed not to include the following

(i) borrowings incurred by a member of the Group for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other member of the Group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department or agency fulfilling a similar function, up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured,

(ii) borrowings by a member of the Group before, and outstanding after, it becomes a subsidiary undertaking of the Company and amounts secured on an asset before, and remaining so secured after, it is acquired by a member of the Group until six months after the undertaking becomes a subsidiary undertaking or the asset is acquired, as the case may be,

(iii) any guarantee or indemnity given by any member of the group in respect of any amount or obligation deemed not to be moneys borrowed under any of the provisions of this Article 123, and

(iv) borrowings incurred by a member of the Group for the purpose of complying with any direction issued by the Secretary of State under Section 34 or Section 96 of the Electricity Act 1989,

(c) For the purposes of this Article 123

(i) moneys borrowed by a partly owned subsidiary undertaking and not owing to another member of the Group shall (notwithstanding paragraph (a) of this Article 123 (E)) be taken into account subject to the exclusion of a proportion of such moneys borrowed attributable to outside interests;

(ii) moneys borrowed and owing to a partly owned subsidiary undertaking by another member of the Group shall, subject to paragraph (a) of this Article 123 (E) and sub paragraph (iii) below, be taken into account to the extent of the proportion of such

moneys borrowed attributable to the outside interests in such partly owned subsidiary undertaking, and

(iii) in the case of moneys borrowed and owing to a partly owned subsidiary undertaking by another partly owned subsidiary undertaking, the proportion which would otherwise be taken into account under sub paragraph (ii) above shall be reduced by excluding such part of such moneys borrowed as is attributable to the outside interests in the borrowing subsidiary undertaking,

(d) There shall be offset against the amount of moneys borrowed, any amounts beneficially owned by a member of the Group which represent the value of Investments which would be shown as current assets in a balance sheet prepared in accordance with the accounting principles used in the preparation of the Latest Accounts, subject, in the case of Investments which are beneficially owned by a partly owned subsidiary undertaking, to the exclusion of a proportion thereof attributable to outside interests.

(e) For the avoidance of doubt, no amount shall be taken into account more than once in any calculation of moneys borrowed, and

(f) When the aggregate principal amount of borrowings required to be taken into account on any particular date is being ascertained, any particular borrowing which is then outstanding and which is denominated or repayable in a currency other than sterling shall

(i) with the exception of Excepted Foreign Currency Borrowings, be translated into sterling at the rate of exchange prevailing in London at the close of business on the last business day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London at the close of business on the last business day six months before that time and so that, for these purposes, the rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank selected by the Directors as being the most appropriate rate for the purchase by the Company of the currency and amount in question for sterling at the time in question; and

(ii) in the case of any Excepted Foreign Currency Borrowings, at the rate of exchange which would be applicable to such moneys borrowed on their repayment to the extent that such rate of exchange is fixed under any exchange cover scheme in connection with such moneys borrowed, provided that, where it is not possible to determine the rate of exchange applicable at the time of repayment of such moneys borrowed, they shall be translated into sterling under the terms of the applicable exchange cover scheme on such basis as may be agreed with, or determined by, the

auditors or, if it is agreed with the auditors not to be practicable, in accordance with the provisions of sub paragraph (f)(i) above.

Fluctuating rates of exchange

123 (F) The Company shall not be in breach of the borrowing limit under this Article 123 by reason of the limit being exceeded as a result only of any fluctuation in rates of exchange provided that within six months of the Directors becoming aware of any such fluctuation or change which would but for this provision have caused such a breach, the aggregate principal amount as aforesaid is reduced to an amount not exceeding the said limit

Changes in legislation

123 (G) If, as a result of any change in legislation relating to or affecting taxation matters, any amount payable by a member of the Group in respect of any finance lease shall increase and, if in consequence the borrowing limit under this Article 123 is exceeded, an amount of moneys borrowed equal to the excess may be disregarded until the expiration of six months after the date on which the Directors become aware that such a situation has arisen

Validity of borrowing arrangements

123 (H) No person dealing with the Company or any of its subsidiary undertakings shall, by reason of the foregoing provisions, be concerned to see or inquire whether the said limits are observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded. A certificate signed by two Directors that the amount of any moneys borrowed is within the said limits shall for the purposes of this Article 123.(H) be conclusive evidence in any question between any such person and the Company.

Certification by auditors

123.(I) A certificate or report by the auditors as to the amount of Adjusted Capital and Reserves or as to the amount of moneys borrowed or to the effect that the limit imposed by this Article 123 has or has not been or will or will not be exceeded at any particular time or times shall be conclusive evidence of the amount or of that fact

SECRETARY

124. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may, at any time, be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit, two or more persons may be appointed as joint secretaries. The Directors may also appoint, from time to time, on such terms as they may think fit, one or more deputy secretaries and assistant secretaries. Anything by the Statutes or by these Articles

required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any deputy or assistant secretary, or if there is no deputy or assistant secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors

SEALS

125 (A) The Directors shall provide for the safe custody of the seal and any securities seal and neither shall be used without the authority of the Directors or a committee authorised by the Directors on their behalf

125 (B) Every deed, contract, document, instrument or other writing to which the seal shall be affixed shall (except as permitted by Article 19.(A)) be subscribed on behalf of the Company by two of the Directors of the Company, or by a Director and the Secretary of the Company, or by two persons authorised to subscribe such deed, contract, document, instrument or other writing on its behalf

125.(C) Any instrument may be executed under the seal by impressing the seal by mechanical means or by printing the seal or a facsimile of it on the instrument or by applying the seal or a facsimile of it by any other means to the instrument An instrument executed, with the authority of a resolution of the Directors, by a Director and the secretary or by two Directors and expressed (in whatever form of words) to be executed by the Company has the same effect as if executed under the seal For the purpose of the preceding sentence only, ***secretary*** shall have the same meaning as in the 1985 Act

125 (D) The securities seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued Any such securities or documents sealed with the securities seal shall not require to be signed

AUTHENTICATION OF DOCUMENTS

126 Any Director or the Secretary or any person appointed by the Directors or by a duly authorised committee for the purpose shall have power to authenticate and certify as true copies of and extracts from

(a) any document comprising or affecting the constitution of the Company whether in an instrument or electronic form,

(b) any resolution passed by the Company, the holders of any class of shares in the capital of the Company or the Directors or any committee whether in physical form or electronic form, and

(c) any book, record, document and accounts relating to the business of the Company, whether in physical form or electronic form

Where any books, records, documents or accounts are elsewhere than at the office the officer, servant or agent of the Company having the custody thereof shall be deemed

to be a person appointed by the Directors as aforesaid A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Directors or any committee, which is certified as aforesaid and whether in physical form or electronic form shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting

MINUTES AND BOOKS

Keeping of minutes and books

127. The Directors shall cause minutes to be made in books to be provided for the purpose:

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors or their alternates and any other persons present at each meeting of Directors and of any committee formed under Article 114 (A); and

(c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees formed under Article 114 (A)

Any such minutes shall be conclusive evidence of any such proceedings if they purport to be executed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting

Safeguarding of minutes and books

128. Any register, index, minute book, book of account or other book required by these Articles or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery of falsification.

DIVIDENDS

Declaration of dividends by the Company

129. The Company may, by ordinary resolution, declare dividends in accordance with the respective rights of the members, but no dividend shall be payable except out of the profits of the Company available for distribution under the provisions of the Statutes and these Articles or in excess of the amount recommended by the Directors. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and

paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article 129, no amount paid on a share in advance of calls shall be treated as paid on the share

Declaration of dividends by the Directors

130 Subject to the provisions of the Statutes, the Directors may pay dividends (whether final or otherwise) if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may pay dividends on shares which confer deferred or non preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no dividend shall be paid on shares carrying deferred or non preferred rights if, at the time of payment, any preferential dividend is in arrears The Directors may also pay, at intervals settled by them, any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. If the Directors act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of a dividend on any shares having deferred or non preferred rights

Currency of payment

131 (A) The Directors may at their discretion make provisions to enable an ADR Depositary to receive dividends duly payable in a currency or currencies other than Sterling

131 (B) For the purpose of the calculation of the amount payable in respect of any dividend, the rate of exchange to be used to determine the relevant currency equivalent of any sum payable as a dividend shall be such market rate (whether spot or forward) selected by the Directors as they shall consider appropriate subject to such adjustments as the directors may determine ruling in London on the date which is the business day last preceding (a) in the case of a dividend to be declared by the Company in general meeting, the date on which the Directors publicly announce their intention to recommend that specific dividend and (b) in the case of any other dividend, the date on which the Directors publicly announce their intention to pay that specific dividend, provided that where the Directors consider the circumstances to be appropriate they shall determine such relevant currency equivalent of any sums payable as a dividend by reference to such market rate or rates or the mean of such market rates prevailing at such time or times or on such other date or dates, in each case falling before the time of the relevant announcement, as the Directors may in their discretion select. The decision of the directors regarding the exchange rate shall be conclusive and binding

Interest not payable

132. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company, unless otherwise provided by the rights attached to the share.

Permitted deductions

133 The Directors may deduct from any dividend or other moneys payable to any member, whether alone or jointly with any other member, on or in respect of a share all sums of money (if any) presently payable by him, whether alone or jointly with any other member, to the Company on account of calls or otherwise in relation to shares of the Company

Retention of dividends

134 The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or other obligations in respect of which the lien exists

Waiver of dividends

135. The waiver, in whole or in part, of any dividend on any share by any document shall be effective only if such document is executed by the holder (or the person entitled to the share in consequence of a transmission event) and delivered to the Company and if, or to the extent that, the same is accepted as such or acted upon by the Company.

Unclaimed dividends

136. Without prejudice to the operation of Article 137, all dividends or other moneys payable on, or in respect of, a share unclaimed after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. The payment by the Directors of any unclaimed dividend or other moneys payable on, or in respect of, a share into a separate account shall not constitute the Company a trustee in respect thereof. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if those instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the member's new address The entitlement conferred on the Company by this Article in respect of any member shall cease if the member claims a dividend or cashes a dividend warrant or cheque

Forfeiture of unclaimed dividends

137 Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and shall revert to the Company

Dividends in specie

138. The Company may either (i) upon the recommendation of the Directors, by ordinary resolution, or (ii) by resolution of the Directors in respect of a dividend to be paid pursuant to Article 130, direct that payment of a dividend (whether final or

otherwise), in whole or in part, be made by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors may give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may (a) settle the same as they think expedient and, in particular, may issue fractional certificates or may authorise any person to sell and transfer any fractions and distribute or retain the proceeds or disregard fractions altogether; (b) fix the value for distribution of such specific assets or any part thereof; (c) determine that cash payments shall be made to any members on the basis of the value so fixed in order to adjust the rights of those entitled to participate in the dividend; and (d) vest any such specific assets in trustees as may seem expedient to the Directors

Procedure for payment

139.(A) Any dividend or other moneys payable in respect of a share may be paid.

(a) by cheque or warrant made payable to or to the order of the holder or person entitled to payment, or

(b) by any direct debit, bank or other funds transfer system to the holder or person entitled to payment or, if practicable, to a person designated by notice to the Company by the holder or person entitled to payment; or

(c) by any other method approved by the Directors and agreed (in such form as the Company thinks appropriate) by the holder or person entitled to payment including (without limitation) in respect of an uncertificated share by means of the relevant system (subject to the facilities and requirements of the relevant system).

Payment by post

139 (B) A cheque or warrant may be sent by post

(a) where a share is held by a sole holder, to the registered address of the holder of the share, or

(b) if two or more persons are the holders, to the registered address of the person who is first named in the register, or

(c) if a person is entitled by transmission to the share, as if it were a notice to be given under Article 150; or

(d) in any case, to such person and to such address as the person entitled to payment may direct by notice to the Company

Discharge to Company and risk

139.(C) Payment of a cheque or warrant by the bank on which it was drawn or the transfer of funds by the bank instructed to make the transfer or, in respect of an uncertificated share, the making of payment in accordance with the facilities and requirements of the relevant system (which, if the relevant system is CREST, may include the sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder of joint holders may in writing direct) shall be a good discharge to the Company. Every cheque or warrant sent or transfer of funds made by the relevant bank or system in accordance with these Articles shall be at risk of the holder or person entitled The Company shall have no responsibility for any sums lost or delayed in the course of payment by any method used by the Company in accordance with Article 139 (A)

Receipts where joint holders

140. If two or more persons are registered as joint holders of any share or are entitled jointly to a share in consequence of a transmission event, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share

Scrip dividends

141. Subject to approval by the Company at any annual general meeting, the Directors may, in respect of any dividend declared or proposed to be declared or payable within a specified period expiring no later than the conclusion of the fifth annual general meeting following the date of such approval (and provided that an adequate number of unissued shares is available for the purpose), determine and announce that shareholders will be entitled to elect to receive in lieu of such dividend (or part thereof, as the directors shall determine) an allotment of additional shares credited as fully paid Any such announcement shall, where practicable, be made prior to or contemporaneously with the announcement of the dividend in question and any related information as to the Company's profits for such financial period or part thereof. In any such case the following provisions shall apply

(a) the basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient, the value calculated by reference to the average quotation of the additional shares (including any fractional entitlement) to be allotted in lieu of any amount of dividend shall equal such amount For such purpose the ***average quotation*** of a share shall be the average of the middle market quotations of the shares on the London Stock Exchange, as derived from the Daily Official List of the London Stock Exchange, on each of the first five consecutive business days on which such shares are quoted ex the relevant dividend A certificate or report by the auditors as to the amount of the average quotation in respect of any dividend shall be conclusive evidence of that amount;

(b) the Directors shall, after determining the basis of allotment, send notice to the members of the right of election accorded to them and shall send with or following such notice forms of election specifying the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective,

(c) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (the ***elected shares***), and in lieu thereof additional shares shall be allotted to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or profit and loss account as the Directors may determine, a sum equal to the aggregate nominal amount of additional shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the elected shares on such basis,

(d) the additional shares so allotted shall rank *pari passu* in all respects with the fully paid shares then in issue, save only as regards participation in the relevant dividend (or share election in lieu),

(e) the Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into, on behalf of all the members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned,

(f) notwithstanding the foregoing, the Directors may at any time prior to payment of the relevant dividend determine, if it appears to them desirable to do so because of a change in circumstances, that the dividend shall be payable wholly in cash after all and if they so determine then all elections made shall be disregarded. The dividend shall be payable wholly in cash if the ordinary share capital of the Company ceases to be listed on the Official List of the London Stock Exchange at any time prior to the due date of issue of the additional shares or if the listing is suspended and not reinstated by the date immediately preceding the due date of such issue, and

(g) the Directors may on occasion determine that rights of election shall not be made available to any members with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of rights of election would or might be unlawful and

in such event the provisions aforesaid shall be read and construed subject to such determination.

CAPITALISATION OF PROFITS AND RESERVES

Capitalisation of profits and reserves

142 (A) The Directors may, with the authority of an ordinary resolution of the Company

(a) subject as hereinafter provided, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund including the Company's share premium account and capital redemption reserve,

(b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article 142 (A), only be applied in paying up unissued shares to be allotted to members credited as fully paid;

(c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividend only to the extent that the latter shares rank for dividend,

(d) make such provision by authorising the sale and transfer to any person of shares or debentures representing fractions to which any members would become entitled or by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions,

(e) authorise any person to enter, on behalf of all the members concerned, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members;

(f) generally do all acts and things required to give effect to such resolution as aforesaid, and

(g) for the purposes of this Article, unless the relevant resolution provides otherwise, if the Company holds treasury shares of the relevant class at the record date specified in the relevant resolution, it shall be treated as if it were entitled to receive the dividends and to participate in the capitalisation in respect of those treasury shares as if those treasury shares had been held by a person other than the Company.

Avoidance of discounts on exercise of employees' share options

142.(B)(a) Where, pursuant to an employees' share scheme, the Company has granted options to subscribe for shares on terms which provide *inter alia* for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to and in accordance with the provisions of the Statutes, the Directors may, on the exercise of any of the options concerned and payment of the subscription which would have applied had such adjustment been made, capitalise any such profits or other sum as is mentioned in Article 142.(A) to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly

(b) The provisions of paragraphs (c) to (f) of Article 142 (A) above shall apply *mutatis mutandis* to this Article 142 (B) (but as if the authority of an ordinary resolution of the Company were not required)

ACCOUNTS

Right to inspect accounts

143 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the office or, subject to and in accordance with the Statutes, at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors

Preparation and laying of accounts

144 The Directors shall, from time to time, in compliance with the provisions of the Statutes, cause to be prepared and to be laid before a general meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be required by the Statutes

Accounts to be sent to members

145. Subject to the Statutes, a copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be attached or annexed thereto) and of the Directors' and auditors' reports or, where permitted by the Statutes, a summary financial statement in the form specified by the Statutes or any regulations made thereunder shall, not less than twenty one days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles, provided that this Article 145 shall not require a copy of these documents to be sent to more than one of joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Company is not aware. Whenever a listing or quotation on any stock exchange for all or any of the shares or debentures or other securities of the Company shall for the time being be in force, there shall be forwarded to the appropriate officer of such stock exchange such number of copies of such documents as may for the time being be required under its regulations or practice

AUDITORS

Validity of acts of auditors

146 Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

Rights of auditors

147 The auditors shall be entitled to attend any general meeting and to receive all notices of, and other communications relating to, any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors

NOTICES

Notice in writing

148.(A) Save as otherwise provided in these Articles, any notice to be sent to or by any person pursuant to these Articles shall be in writing, except that a notice calling a meeting of the Directors need not be in writing. Any such notice may be sent using electronic communications to such address (if any) as may for the time being be notified for that purpose to the person giving the notice by or on behalf of the person to whom the notice is sent

Method of giving notice to members

148 (B) The Company may send any notice or other document pursuant to these Articles to a member by whichever of the following methods it may in its absolute discretion determine·

(a) personally, or

(b) by posting the notice or other document in a prepaid envelope addressed to the member at his registered address, or

(c) by leaving the notice or other document at that address, or

(d) by sending the notice or other document using electronic communications to such address (if any) as may for the time being be notified to the Company by or on behalf of the member for that purpose

148.(C) Subject to the Statutes, the Company may also send any notice or other document pursuant to these Articles to a member by publishing that notice or other document on a website where:

(a) the Company and the member have agreed to him having access to the notice or document on a website (instead of it being sent to him),

(b) the notice or document is one to which that agreement applies,

(c) the member is notified, in a manner for the time being agreed between him and the Company for the purpose, of

    (i) the publication of the notice or document on a website,

    (ii) the address of that website, and

    (iii) the place on that website where the notice or document may be accessed, and how it may be accessed, and

(d) the notice or document continues to be published on that website throughout the publication period, provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid

In this Article 148 (C), ***publication period*** means

(a) in the case of a notice of an adjourned meeting of which notice is required to be given pursuant to Article 67, a period of not less than seven clear days before the date of the adjourned meeting, beginning on the day following that

on which the notification referred to in sub paragraph (c) above is sent or (if later) is deemed sent,

(b) in any other case, a period of not less than 21 days, beginning on the day following that on which the notification referred to in sub paragraph (c) above is sent or (if later) is deemed sent

148 (D) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which a notice or other document may be sent to him by instrument or an address to which a notice or other document may be sent using electronic communications shall (provided that, in the case of electronic communications, the Company so agrees) be entitled to have notices or other documents sent to him at that address but otherwise

(a) no such member shall be entitled to receive any notice or other document from the Company, and

(b) without prejudice to the generality of the foregoing, any notice of a general meeting of the Company which is in fact sent or purports to be sent to such member shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

148 (E) The Directors may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic communications for the sending of notices, other documents and proxy appointments by the Company to members and by members to the Company

148 (F) In this Article (except for Article 148 (C)) and in Articles 149 to 154, references to a notice include without limitation references to any notification required by the Statutes or these Articles in relation to the publication of any notices or other documents on a website

Signature on notices

148 (G) The signature on any notice required to be sent by the Company may be typed or printed or otherwise executed

Notice to joint holders

148.(H) In respect of joint holdings, all notices or other documents shall be sent to the joint holder whose name stands first in the register of members and any notice or other document so sent shall be sufficient notice to all the joint holders in their capacity as such

When notices etc. deemed sent or delivered

149 (A) Proof that an envelope containing a notice or other document was properly addressed, prepaid and posted shall be conclusive evidence that the notice or document was sent Proof that a notice or other document contained in an electronic

communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators current at the date of adoption of these Articles, or, if the Directors so resolve, any subsequent guidance so issued, shall be conclusive evidence that the notice or document was sent A notice or other document sent by the Company to a member by post shall be deemed to be sent

(a) if sent by first class post or special delivery post from an address in the United Kingdom to another address in the United Kingdom, or by a postal service similar to first class post or special delivery post from an address in another country to another address in that other country, on the day following that on which the envelope containing it was posted,

(b) in any other case, on the second day following that on which the envelope containing it was posted

149 (B) A notice or other document sent by the Company to a member contained in an electronic communication shall be deemed sent to the member on the day following that on which the electronic communication was sent to the member

149 (C) A notice or other document shall be deemed sent to the member in accordance with Articles 149.(A) or 149 (B) notwithstanding that the Company becomes aware that the member has failed to receive the relevant notice or other document for any reason and notwithstanding that the Company subsequently sends a copy of such notice or other document by post to the member or otherwise

Notice to persons entitled by transmission

150 A person entitled to a share in consequence of a transmission event, upon such evidence being produced as may from time to time properly be required by the Directors to show his title to the share and upon supplying an address within the United Kingdom for receiving notices, shall, save as herein otherwise expressly provided, be entitled to have sent to him at such address any notice or document to which the member but for the transmission event would be entitled, and such notice shall for all purposes be deemed sent to all persons interested (whether jointly with or as claiming through or under him) in the share Until such address has been supplied, a notice may be sent in any manner in which it might have been sent if the transmission event had not occurred

Untraced members

151 If on three consecutive occasions notices have been sent to any member through the post at his registered address or his address for the service of notices or by using electronic communication to such address (if any) as may for the time being be notified to the Company by or on behalf of the member for that purpose but have been returned undelivered, or if, after any one such occasion, the Directors or any committee authorised by the Directors on their behalf are of the opinion, after the making of all reasonable enquiries, that any further notices to such member would, if sent as aforesaid, likewise be returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated

with the Company in respect of his shares and supplied in writing to the transfer office a new registered address or address within the United Kingdom for receiving notices

Advertisement of notices

152 Any notice required to be sent by the Company to the members or any of them, and not expressly provided for by or pursuant to these Articles, shall be sufficiently sent if given by advertisement inserted once in at least one leading Scottish and one leading national daily newspaper

Notices during disruption of postal services

153. If at any time, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one leading Scottish and one leading national daily newspaper published on the same date and such notice shall be deemed to have been duly sent to all members entitled thereto on the day when the advertisement appears In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

Deemed notice

154 (A) A member present in person at any meeting of the Company or of the holders of any class of shares shall be deemed to have been sent notice of the meeting and, where requisite, of the purposes for which it was called

Successors in title bound by notice to predecessor

154.(B) Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been sent to the person from whom he derives his title, but this Article 154 (B) shall not apply to a notice given under Section 212 of the 1985 Act

Statutory requirements

155 Nothing in any of Articles 148 to 154 inclusive shall affect any requirement of the Statutes that any particular offer, notice or other document be sent in any particular manner

WINDING UP

Liquidator may distribute in specie

156 If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of an extraordinary resolution and any other sanction required by the Insolvency Act 1986, divide among the members *in specie* the whole, or any part of, the assets of the Company and

whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members

Disposal of assets to trusts

157 The liquidator may, with the like authority referred to in Article 156, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability

PROVISIONS FOR EMPLOYEES

158 The Directors may, by resolution, exercise any power conferred by Section 719 of the 1985 Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiary undertakings in connection with the cessation, or the transfer to any person, of the whole, or part of, the undertaking of the Company or that subsidiary undertaking

INDEMNITY

159 Subject to the provisions of and so far as may be consistent with the Statutes, but without prejudice to any indemnity to which such person may otherwise be entitled, every Director, auditor, Secretary, other officer or employee of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer, auditor or employee of the Company and in which decree or judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court

ADR DEPOSITARIES

160 Without prejudice to the right of an ADR Depositary to exercise any other rights conferred in these Articles, an ADR Depositary may appoint as its proxy or proxies ADR Holders registered on the books of the ADR Depositary and may determine the method by which, and the terms on which, such appointments are made, save that each such appointment shall identify the number of Ordinary Shares in respect of which the appointment is made and the aggregate number of Ordinary Shares in respect of which appointments subsist at any one time shall not exceed the aggregate number of Ordinary Shares which for the time being shall be registered in

the name of the ADR Depositary or its nominee (such aggregate number of Ordinary Shares for the time being hereinafter called the ***Depositary Shares***)

161. The ADR Depositary shall maintain a register or system(s) (the ***Proxy Register***) in which shall be recorded such details as the Directors may determine to identify each person who is for the time being so appointed as proxy pursuant to Article 160 (an ***Appointed Proxy***) and the number of Depositary Shares (his ***Appointed Number***) in respect of which his appointment for the time being subsists. The Proxy Register shall be open to inspection by any person authorised by the Company during usual business hours and the ADR Depositary shall furnish to the Company or its agents upon demand all such information as to the contents of the Proxy Register, or any part of it, as may be requested.

162 Subject to the Statutes and provided there are sufficient Depositary Shares to satisfy his Appointed Number, an Appointed Proxy shall, in relation to proceedings at any general meeting

(i) upon production to the Company at a general meeting of evidence of his appointment (which shall be in such form as the Company and the ADR Depositary shall determine from time to time) be entitled to the same rights, and subject to the same restrictions, in relation to his Appointed Number of the Depositary Shares as though such shares were registered in the name of the Appointed Proxy,

(ii) himself be entitled, by a proxy appointment duly executed by him pursuant to Article 81 (A), to appoint another person, including the ADR Depositary, as his proxy in relation to his Appointed Number of Depositary Shares, and so that the provisions of these Articles shall apply (*mutatis mutandis*) in relation to a proxy appointment executed pursuant to this paragraph (ii) of this Article and to a person appointed pursuant to such proxy appointment as though such person were the proxy of a member and the proxy appointment were a form of proxy executed by the Appointed Proxy in accordance with Article 81.(A)

163 The Company may send to the Appointed Proxies as appearing in the Proxy Register at their addresses as so appearing all notices and other documents which are sent to the holders of Ordinary Shares The entitlement of Appointed Proxies to receive notice of general meetings pursuant to Article 59 (A) shall be governed by the provisions of Articles 148, 149, 151, 153 and 154 which shall apply in respect of such notices as if such Appointed Proxies were members

164. When a Record Date is determined in accordance with the provisions of Article 167 for a particular purpose

(i) the number of Depositary Shares in respect of which a person entered in the Proxy Register as an Appointed Proxy is to be treated as having been appointed for that purpose shall be the number in respect of which his appointment subsists as identified by the Proxy Register as at the Record Date, and

(ii) changes to entries in the Proxy Register after the Record Date shall be disregarded in determining the entitlement of any person for the purpose concerned

165 Except as required by law, no Appointed Proxy shall be recognised by the Company as holding any interest in shares upon any trust and subject to the recognition of the rights conferred in relation to general meetings by appointments made by Appointed Proxies pursuant to Article 162 (ii) the Company shall be entitled to treat any person entered in the Proxy Register as an Appointed Proxy as the only person (other than the ADR Depositary) who has any interest in the Ordinary Shares in respect of which the Appointed Proxy has been appointed

166 If any question shall arise as to whether any particular person or persons has or have been validly appointed to vote (or exercise any other right) in respect of any Depositary Shares (whether by reason of the aggregate number of shares in respect of which appointments are identified in the Proxy Register exceeding the aggregate number of Depositary Shares or for any other reason) such question shall if arising at or in relation to a general meeting be determined by the chairman of the meeting (and if arising in any other circumstances shall be determined by the Directors) whose determination (which may include declining to recognise a particular appointment or appointments as valid) shall if made in good faith be conclusive and binding on all persons interested

Record date

167 Subject to the Statutes and Regulations but notwithstanding any other provision of these Articles, the Company or the Directors may by resolution specify any date and time (the ***Record Date***) as the date and time on which persons registered as the holders of shares or other securities or (as appropriate) Appointed Proxies shall be entitled (i) to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular or (ii) to attend at any general meeting and/or to exercise voting rights in respect of shares registered in their name in the register of members or in respect of which their appointment subsists as identified by the Proxy Register (as the case may be) as at such a date and time, and any such Record Date may be on, or at any time before, the date on which the same is paid, made, despatched or published or on which the general meeting is held or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced, but without prejudice to the rights *inter se* in respect of the same of transferors and transferees of any such shares or other securities

168 Rights and Restrictions attached to the B Shares

(A) Election Form

(a) Together with a circular to shareholders dated 31 March 2006 (the ***Circular***) holders of ordinary shares were sent a form of election relating to the B Shares (the ***Election Form***) under which they could elect in relation to any B Shares held by them to (i) receive the Single B Share Dividend (as defined below), (ii)

accept an offer by an agent on behalf of the Company to purchase the B Shares (the ***Initial Repurchase Offer***); or (iii) retain B Shares and receive the B Share Continuing Dividend (as defined below)

(b) Holders of B Shares who have not returned a duly completed Election Form by 6 pm on 19 May 2006 (or such later time and/or date as the Directors may determine) electing (revocably until that time) to accept the Initial Repurchase Offer or to retain their B Shares and receive the B Share Continuing Dividend will be deemed instead to have elected to receive the Single B Share Dividend (as described in Article 168(B) below) in relation to each B Share held by them.

(c) The Directors may, if they so determine in their absolute discretion, accept an Election Form which is received after the relevant time or which is not correctly completed or returned The Directors may, in addition, if they so determine in their absolute discretion, treat any other document or action as a valid Election Form or as the completion or delivery of a valid Election Form, as the case may be

(B) Income

(a) Out of the profits available for distribution, a single dividend of £3 60 per B Share (the ***Single B Share Dividend***) shall be payable to holders of B Shares on the register of members of B Shares at 6 pm on 19 May 2006 (or such later time and/or date as the Directors may determine) who have validly elected or are deemed pursuant to Article 168(A)(b) above or in accordance with the Circular and the Election Form to have elected to receive the Single B Share Dividend in respect of such B Shares registered in their name at such date and time

(b) Such dividend shall, if declared, become payable on 22 May 2006 or such later date as the Directors may determine (the ***Single Dividend Date***) Each B Share in respect of which such dividend is declared shall immediately be automatically converted into a deferred share of 50 pence nominal value with the rights and restrictions described in Article 168(H) (a ***Deferred Share***)

(c) Out of the profits available for distribution in respect of each financial year or other accounting period of the Company, the holders of the B Shares who have elected to retain their B Shares or in accordance with the Circular and the Election Form are deemed to have elected to retain their B Shares shall be entitled, in priority to any payment of dividend or other distribution to the holders of any ordinary shares and before profits are carried to reserves, to be paid a non cumulative preferential dividend (the ***B Share Continuing Dividend***) at such annual rate on a value of £3 60 per B Share as is calculated in accordance with Articles 168(B)(e) and 168(B)(f) below rounded down to the nearest 1/10 penny

(d) The first B Share Continuing Dividend will be in respect of the period commencing on the Single Dividend Date as defined under Article 168(B)(b),

and is to be paid in arrears on 28 May 2007 (or such later date in 2007 as the Directors may determine) and thereafter, such dividend will be paid (without having to be declared) annually in arrears on 28 May (or such later date as the Directors may determine) in each year or, if any such date would otherwise fall on a date which is not a Business Day (as defined below) it shall be postponed to the next day which is a Business Day (without any interest or payment in respect of such delay being charged) (each, a ***Payment Date***)

(e) Each twelve month period ending on 28 May is called a ***Calculation Period*** The annual rate applicable to each Calculation Period shall be 75 per cent of 12 month LIBOR for the Calculation Period in question which appears on the display designated as page ISDA on Reuters (or such other page or service as may replace it or have replaced it for the purpose of displaying London inter bank offered rates of leading banks for pounds sterling deposits as determined by the Company), at or about 11 am (London time) on the first Business Day of such Calculation Period

(f) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then Article 168(B)(e) above shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded upward, if necessary, to the nearest 1/16 per cent) of the rates (being at least two) which so appear, as determined by the Company. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Company will request each of the banks whose offered rates would have been used for the purposes of the relevant page, if the event leading to the application of this Article 168(B)(f) had not happened, through its principal London office to provide the Company with its offered quotation to leading banks for pounds sterling deposits in London for the Calculation Period concerned as at 11 am (London time) on the first Business Day of such Calculation Period The rate for such Calculation Period shall be the arithmetic mean (rounded upward, if necessary, to the nearest 1/16 per cent) of such quotations (or of such of them, being at least two, as are so provided), as determined by the Company

(g) In this paragraph, the expression ***Business Day*** means a day upon which pounds sterling deposits may be dealt in on the London inter bank market and commercial banks are generally open in London, and 'non cumulative' in relation to the B Share Continuing Dividend means that the dividend payable on each Payment Date is payable out of the profits of the Company available for distribution in respect of the accounting reference period in which the Payment Date falls (including any reserves representing profits made in previous accounting reference periods) without any right in the case of a deficiency to resort to profits made in subsequent accounting reference periods.

(h) Payments of the B Share Continuing Dividend under Article 168(B)(d) shall be made to holders on the Company's relevant register on a date selected by the Directors, being not less than 15 days nor more than 42 days (or, in default

of selection by the Directors, on the date falling 15 days) prior to the relevant Payment Date

(i) The holders of the B Shares shall not be entitled to any further right of participation in the profits of the Company

(j) All B Share Continuing Dividends payable on the B Shares which are unclaimed for a period of 12 years from the date of due payment shall be forfeited and shall revert to the Company

(C) Capital

(a) Except as provided in Article 168(F) below, on a return of capital on winding up (excluding any intra group reorganisation on a solvent basis), the holders of the B Shares shall be entitled, in priority to any payment to the holders of ordinary shares, to £3 60 per B Share held by them, together with a sum equal to the relevant proportion of the B Share Continuing Dividend (if any) under Article 168(B)(c) which would have been payable, if the winding up had taken effect on the last day of the then current Calculation Period, the relevant proportion being the number of days from and including the preceding Payment Date (or, if the date of such winding up is prior to 22 May 2006, the Single Dividend Date) to, but excluding, the date of such winding up, divided by 365

(b) The aggregate entitlement of each holder of B Shares on a winding up in respect of all of the B Shares held by him shall be rounded up to the nearest whole penny.

(c) On a winding up, the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 168(C)(a) above If on such a winding up the amounts available for payment are insufficient to cover in full the amounts payable on the B Shares, the holders of such shares will share rateably in the distribution of assets (if any) in proportion to the full preferential amounts to which they are entitled

(d) The holders of the B Shares shall not be entitled to any further right of participation in the assets of the Company

(D) Attendance and voting at general meetings

(a) The holders of the B Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting unless.

(i) the business of the meeting includes the consideration of a resolution for the winding up (excluding any intra group reorganisation on a solvent basis) of the Company, in which case the holders of the B

Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on any such resolution, or

(ii) at the date of the notice convening the meeting, the B Share Continuing Dividend has remained unpaid for six months or more from the relevant Payment Date, in which case the holders of the B Shares shall have the right to attend the general meeting and shall be entitled to speak and vote on all resolutions

(b) Whenever the holders of the B Shares are entitled to vote at a general meeting of the Company, on a show of hands every holder thereof who (being an individual) is present in person or (being a corporation) by a representative shall have one vote, and on a poll every such holder shall have one vote per B Share.

(E) Company's right to purchase

(a) Subject to the provisions of the 1985 Act and to compliance with applicable securities law and regulations but without the need to obtain the sanction of any resolution of the holders of the B Shares, the Company may at any time and at its sole discretion purchase B Shares (i) in the market or (ii) by tender available alike to all holders of B Shares or (iii) by private treaty, in each case at a price and upon such other terms and conditions as the Directors may think fit

(b) Subject to the provisions of the 1985 Act, and pursuant to the authority provided in Article 168(E)(a) above, the Company may, at any time after 14 May 2011, without obtaining the sanction of the holders of the B Shares

(i) appoint any person to execute on behalf of all the holders of the B Shares a transfer of all of the B Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the Directors may determine, subject to the Company or such person (as the case may be) paying to the holders of the B Shares so transferred such amount as they would be entitled to under Article 168(C) were the Company to be wound up on such day, and

(ii) cancel all or any B Shares so purchased by the Company in accordance with the 1985 Act, and

(iii) in connection therewith, change the form of any B Shares held in uncertificated form to certificated form and cancel any relevant listing or trading of such B Shares (and the holders of the B Shares shall take, and the Company may on their behalf take, such steps as may be required in connection with such change of form or cancellation of listing)

(F) Class rights

(a) The Company may from time to time create, allot and issue further shares, whether ranking pari passu with or in priority or subsequent to the B Shares The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of B Shares

(b) A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares and, upon such reduction, the payment to the holders of the B Shares of the preferential amounts to which they would be entitled to under Article 168(C) were the Company to be wound up on the day that such reduction becomes effective (or the issue to the holders of the B Shares of new shares in any new holding company of the Company with substantially the same terms as the B Shares), shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares For the avoidance of doubt, the deemed variation of class rights referred to in Article 8(B)(a) shall not apply to the B Shares Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes (subject to obtaining, as applicable, the consent of the holders of the ordinary shares and the confirmation of the Court in each case in accordance with the 1985 Act) and such reduction (or purchase) shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares The holders of the B Shares shall not be entitled to participate in any capitalisation of profits or reserves by the Company and any such capitalisation shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares

(c) If at any time a currency other than pounds sterling is accepted as legal tender in the United Kingdom in place of or in addition to pounds sterling, the Directors shall be entitled, without the consent of holders of the ordinary shares or the B Shares, to make such arrangements and adjustments in respect of the method of calculation and payment of any of the entitlements of holders of B Shares under these Articles as the Directors consider necessary, fair and reasonable in the circumstances to give effect to the rights attaching to the B Shares, including (without limitation) in respect of the calculation and payment of the B Share Continuing Dividend, notwithstanding the fact of such acceptance Any such arrangements and adjustments shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of B Shares

(G) Deletion of Article 168(A) (G) when no B Shares in existence

Article 168(A) (G) shall remain in force until there are no longer any B Shares in existence whether by way of conversion into Deferred Shares, repurchase and cancellation, whichever is earlier, notwithstanding any provision in the Articles to the

contrary Thereafter Article 168(A) (G) shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 168(A) (G) are referred to in other Articles) and shall be deleted and replaced with the wording 'Article 168(A) (G) has been deleted', and the separate register for the holders of B Shares shall no longer be required to be maintained by the Company, but the validity of anything done under Article 168(A) (G) before that date shall not otherwise be affected and any actions taken under Article 168(A) (G) before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever

(H) Deferred Shares

(a) Income

The Deferred Shares shall confer no right to participate in the profits of the Company

(b) Capital

On a return of capital on a winding up (excluding any intra group re organisation on a solvent basis) there shall be paid to the holders of the Deferred Shares the nominal capital paid up or credited as paid up on such Deferred Shares after

(i) firstly, paying to the holders of the B Shares £3 60 per B Share held by them together with any outstanding entitlement to the B Share Continuing Dividend up to the Payment Date last preceding the return of capital, and

(ii) secondly, paying to the holders of the ordinary shares the nominal capital paid up or credited as paid up on the ordinary shares held by them respectively, together with the sum of £100,000 on each ordinary share.

The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company

(c) Attendance and voting at general meetings

The holders of the Deferred Shares shall not be entitled to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting

(d) Form

The Deferred Shares shall not be listed on any stock exchange nor shall any share certificates be issued in respect of such shares The Deferred Shares shall not be transferable except in accordance with Article 168(H)(f) below or with the written consent of the Directors

(e) Class rights

The Company may from time to time create, allot and issue further shares, whether ranking pari passu with or in priority or subsequent to the Deferred Shares, and on

such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares A reduction by the Company of the capital paid up or credited as paid up on the Deferred Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares For the avoidance of doubt, the deemed variation of class rights referred to in Article 8(B)(a) shall not apply to the Deferred Shares Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes (subject to obtaining, as applicable, the consent of the holders of the ordinary shares and the confirmation of the Court in each case in accordance with the 1985 Act) and such reduction (or purchase) shall not involve a variation of any rights attaching to the Deferred Shares for any purpose or require the consent of the holders of the Deferred Shares.

(f) Transfer

The Company may at any time (and from time to time), subject to the provisions of the 1985 Act, without obtaining the sanction of the holder or holders of the Deferred Shares

(i) appoint any person to execute on behalf of any holder of Deferred Shares a transfer of all of the Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the Directors may determine (whether or not an officer of the Company), and any such transfer shall be for no consideration, and

(ii) cancel all or any of the Deferred Shares so acquired by the Company in accordance with the 1985 Act.

(I) Deletion of Article 168(H) (I) when no Deferred Shares in existence

Article 168(H) (I) shall remain in force until there are no longer any Deferred Shares in existence, whichever is earlier, notwithstanding any provision in the Articles to the contrary Thereafter Article 168(H) (I) shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 168(H) (I) are referred to in other Articles) and shall be deleted and replaced with the wording 'Article 168(H) (I) has been deleted', and the separate register for the holders of Deferred Shares shall no longer be required to be maintained by the Company, but the validity of anything done under Article 168(H) (I) before that date shall not otherwise be affected and any actions taken under Article 168(H) (I) before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever.

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CERTIFICATE OF INCORPORATION

ON RE-REGISTRATION OF A PUBLIC COMPANY

AS A PRIVATE COMPANY

Company No. 193794

The Registrar of Companies for Scotland hereby certifies that

SCOTTISH POWER LIMITED

formerly registered as a public company has this day been re-registered under the Companies Act 1985 as a private company, and that the company is limited.

Given at Companies House, Edinburgh, the 13th July 2007

The Registrar Of Companies

FRIDAY
SCT 13/07/2007 768
COMPANIES HOUSE

Company No SC193794

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WRITTEN RESOLUTIONS

- of -

SCOTTISH POWER LIMITED (the "Company")

We, the undersigned, being all the members of the above named Company (formerly named Scottish Power plc, but re registered as a private limited company on 13 July 2007) for the time being entitled to attend and vote at general meetings, hereby unanimously pass the following resolutions as Special Resolutions of the Company pursuant to Section 381A of the Companies Act 1985 and agree that such resolutions shall be valid and effective for all purposes as if the same had been passed at a general meeting of the Company duly convened and held

SPECIAL RESOLUTIONS

1 THAT the terms of a proposed contract between the holders from time to time of the non cumulative preference shares of 50 pence each in the Company in issue (the "**B Shares**") and the Company providing for the repurchase by the Company of the B Shares (the form of which is annexed hereto) to be entered into on one or more occasions be and are hereby approved and authorised for the purposes of Section 164 of the Companies Act 1985 and otherwise but so that such approval and authority shall expire 18 months after the date on which this resolution is passed

2 THAT the terms of a proposed contract between the holders of the deferred shares of 50 pence each in the share capital of the Company (the "**Deferred Shares**") and the Company providing for the repurchase by the Company of the Deferred Shares (the form of which is annexed hereto) be and are hereby approved and authorised for the purposes of Section 164 of the Companies Act 1985 and otherwise but so that such approval and authority shall expire 18 months after the date on which this resolution is passed

3 THAT the amended Articles of Association of the Company in the form attached to this resolution and initialled for the purposes of identification by the Chairman be hereby adopted in substitution for and to the exclusion of all existing Articles of the Company

For and on behalf of Iberdrola, S A

Date 16 July 2007

For and on behalf of the other ordinary shareholders of Scottish Power Limited (on the register of members as at the date of this resolution) under a Power of Attorney dated 23 April 2007

Date 16 July 2007

WEDNESDAY
SCT 18/07/2007 831
COMPANIES HOUSE

SCOTTISH POWER LIMITED - REGISTER OF HOLDERS OF ORDINARY SHARES OF 42 PENCE EACH AS AT 16 JULY 2007

Acct no	Hldrs prefix	Hldrs forename	Hldrs surname	Hldrs addr 1	Hldrs addr 2	Hldrs addr 3	Hldrs addr 4	Hldrs addr	Post cd	Bal amt 03
										101237527
A399737	MS	SUSAN	MCCORMICK	89 LABURNUM ROAD VIEWPARK	UDDINGSTON	GLASGOW			G71 5AE	552
A502536	MR	JOHN G	SIMPSON	3 DUMBRECK PARK	DUNSHALT	CUPAR	FIFE		KY14 7HH	1813
A544041	MRS	PATRICIA ANNE	ATHERTON	31 BEECH AVENUE	CLOCK FACE	ST HELENS			WA9 4LQ	821
A566702	MISS	MARISSA	MCCARROLL	7 NORTH BERWICK AVENUE	CARRICKSTONE	CUMBERNAULD			G68 0JQ	111
A567262	MR	JOHN FRASER	PASS	17 HABERLEA AVENUE	GLASGOW				G53 7UZ	2282
A567336	MR	DAVID ALEXANDER	WILSON	27 CRAIGSTON PARK	DUNFERMLINE	FIFE			KY12 0XZ	385
A570414	MISS	ELAINE	DICK	13 CREELSHAUGH ROAD	FENWICK				KA3 6DP	470
A570760	MRS	CLARE MARGARET	PRYCE	7 RUTHIN CLOSE	ST MATHEWS PARK	BUCKLEY FLINTSHIRE			CH7 3QL	568
A570934	MISS	JULIE	WILCOX	16 WILLOW CRESCENT	PADGATE	WARRINGTON	CHESHIRE		WA1 4JS	316
A573895	MS	MARJORY	ROBERTSON	81 WALNUT GATE	CAMBUSLANG	GLASGOW			G72 7GB	385
A574559	MR	TIM E	SALINAS	43 WEYMOUTH CLOSE	MURDISHAW	RUNCORN			WA7 6JJ	40
A576189	MR	CRAIG JOHN	BARR	3/L 107 CLARKSTON ROAD	CATHCART	GLASGOW			G44 3BL	1426
A578316	MR	ROY	MARRIOTT	94 CASTLEMAINS ROAD	MILNGAVIE	GLASGOW			G62 7QB	1325
A592572	MRS	NORMA LINDA	APPLETON	8 NORMANHURST	ORMSKIRK	LANCS			L39 4UZ	1495
A592918	MR	DEREK	MACKAY	38 GLENSHEE GARDENS	CARLUKE	SOUTH LANARKSHIRE			ML8 4RR	1157
A593068	MR	CHARLES SMITH MCMILLAN	REID	77 OSPREY DRIVE	UDDINGSTON	GLASGOW			G71 6HU	535
A594044	MR	ANDREW B	WILKIE	2 OTHELLO	CALDERWOOD	EAST KILBRIDE	GLASGOW		G74 3NQ	100
A595386	MRS	VICTORIA MARGARET	PHILLIPS	FLAT 16 WESTSIDE GARDENS	4 PARTICKHILL ROAD	GLASGOW			G11 5BL	558
A621332	MR	DAVID A	SINCLAIR	24 BALLANTRAE CRESCENT	NEWTON MEARNS	GLASGOW			G77 5TX	1104
A622464	MRS	LINDA	JOHNSTONE	21 DEANSYKE	FORTH	LANARK			ML11 8BJ	55
A631041	MR	MARK	COOPER	6 FOUNDRY WYND	WOODEND MEADOWS	KILWINNING			KA13 6UF	770
A642783	MR	ANDREW RONALD	CAMERON	3 WOODEND STREET	HELENSBURGH	GLASGOW			G84 8DX	50
A644950	MR	MARK	HERON	FLAT 1/3	101 OLD CASTLE ROAD	CATHCART GLASGOW			G44 5TQ	223
A647682	MR	SCOTT	MACVICAR	49 HILLEND CRESCENT	DUNTOCHER	CLYDEBANK			G81 6HL	111
A651049	MS	CATHERINE	MCNAMEE	2 OTHELLO	CALDERWOOD	EAST KILBRIDE			G74 3NQ	44
A658863	MR	BRIAN	BURNS	60 BEAULY COURT	FALKIRK	STIRLINGSHIRE			FK1 2QP	613
A658921	MRS	LINDA	MEIKLE	10 WILLOWDEAN	BRIDGEEND	LINLITHGOW			EH49 6NW	60
A665290	MR	SIMON WILLIAM	HOGG	34 STAFFA STREET	GOUROCK	RENFREWSHIRE			PA19 1SJ	299
A665749	MRS	ANGHARAD G	HEFFEY-RHODES	27 VENTNOR CLOSE	GREAT SANKEY	WARRINGTON	CHESHIRE		WA5 3JL	285
A665750	MRS	CLAIRE LOUISE	JONES	94 DEAN ROAD	WREXHAM	CLWYD			LL13 9EL	335
A665751	MS	AILEEN E	MACNAUGHTON	192 ASHCROFT DRIVE	GLASGOW				G44 5QG	57
A665752	MR	CHRISTOPHER D	SUMMERSCALES	13 STEADINGS GARDENS	DUNBAR	EAST LOTHIAN			EH42 1GS	502
A665795		#IBERDROLA SA		CARDENAL GARDOQUI	8 48008 BILBOA	SPAIN				101217177
A666090	MR	STEVEN	DORAN	3 GARTH AVENUE	PERTH				PH1 2LG	275
A666091	MR	DARREN MACKINTOSH	HARRISON	64 MARY STEVENSON DRIVE	ALLOA	CLACKMANNANSHIRE			FK10 2BF	397
A666092	MRS	ANNETTE DUNDAS W	VEITCH	5 CANADIAN AVENUE	HOOLE	CHESTER			CH2 3HG	334
A666143	MR	ALEXANDER H M	BEGBIE	21 COUNTESS GATE	BOTHWELL	GLASGOW			G71 8FB	497

THE COMPANIES ACTS 1985 AND 1989

MEMORANDUM and ARTICLES OF ASSOCIATION

of

SCOTTISH POWER LIMITED

(Adopted by a special resolution passed on 4 May 2006 and amended pursuant to special resolutions dated 30 March 2007, 15 June 2007 and 16 July 2007)

Company Number 193794
Incorporated on 19 February 1999

THE COMPANIES ACTS 1985 to 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

SCOTTISH POWER LIMITED

1 The Company's name is SCOTTISH POWER LIMITED (Note 1)

2 The Company's registered office is to be situated in Scotland

3 The Company's objects are (Note 2)

3 1 1 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, 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

3 1 2 To carry on the businesses in all its branches of generating, transmitting, distributing and supplying electricity (including, but without prejudice to the foregoing generality, the business of a public electricity supplier under any authorisation or licence granted pursuant to the Electricity Act (or modification or re enactment thereof) or any other statute or statutory instrument) or any other form of energy and to do anything which the Company is empowered or required to do under or by virtue of any such authorisation or licence

3 1 3 To carry on the businesses of manufacturing, supplying, servicing and dealing in all types of plant or equipment used in connection with the generation, transmission, distribution and supply of electricity or any other form of energy

3 1.4 To explore for, produce, import or otherwise obtain any fuel or other raw materials for use in connection with the generation of electricity or any other form of energy and to process and deal in any such raw materials or any by products thereof and to process and deal in any by products which may be obtained from the activities of generating, transmitting, distributing or supplying electricity or any other form of energy

3.1.5 To carry on the businesses in all their branches of retailers, suppliers and dealers in electrical appliances, household and general domestic equipment, fixtures and fittings and all kinds of goods, equipment, materials or installations connected with the use of electricity or any other form of energy whether for domestic, industrial, commercial or other purposes

3 1 6 To carry on the business of a water undertaker, whether pursuant to an appointment or otherwise, including but not limited to the provision, operation, development, maintenance, improvement and extension of a system of water supply, the abstraction, collection, storage, treatment, distribution and supply of water, and the provision, operation, maintenance, improvement and extension of water mains and other pipes

3 1.7 To carry on the business of a sewerage undertaker, including but not limited to the provision, operation, development, maintenance, improvement and extension of a system of a public sewers, the removal, treatment and disposal of waste, sewerage, sludge and other effluent, and the provision, operation, emptying, cleansing, maintenance, improvement and extension of sewers and drains

3.1 8 To carry on all or any of the businesses of the running (whether under licence or otherwise), operating, managing, servicing, repairing and dealing in telecommunication and information systems and systems of all kinds for the conveyance by any means of sounds, visual images and signals of all kinds

3 1 9 To provide engineering, construction, consultancy and design services and radio and other communications systems and services, and any facilities, equipment and installations whether related to such services and systems or otherwise

3 1 10 To conduct, promote and commission research of all kinds and research and development activities of all kinds, whether related to the generation, transmission, distribution and supply of electricity or other form of energy or otherwise, and to exploit and turn to account the results of any such research or research and development carried out by or for the Company

3.1 11 To acquire by any means and hold and deal with any heritable, real or personal property or corporeal or incorporeal rights whatsoever, whether or not for the

purposes of or in connection with any of the foregoing activities, and (without prejudice to the generality of the foregoing) to purchase, take on lease or in exchange, hire or otherwise acquire and hold any heritable or real property and any estate or interest in such property, including without limitation any lands, buildings, installations, structures, servitudes, easements, fishing rights, privileges and concessions and to use, exploit and develop the same

3 1 12 To abstract and divert water from any appropriate source for use in connection with the generation of electricity, having regard to the preservation of amenity and fisheries

3.1 13 To carry on any other trade or business whatever which, in the opinion of the Directors of the Company, can be advantageously carried on in connection with or ancillary to any of the above mentioned businesses or is calculated directly or indirectly to enhance the value of, or render profitable any of, the property or rights of the Company

3 1 14 To carry on any other trade, business, including without limitation any utility business, or activity whatever which, in the opinion of the Directors of the Company, is or may be capable of being carried on directly or indirectly for the benefit of the Company

3 2 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

3 3 To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any trade marks, patents, copyrights, trade secrets, or other intellectual property rights, licences, secret processes, 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

3 4 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

3 5 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

3 6 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

3 7 To lend and advance money or give credit an 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)

3 8 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

3 9 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

3 10 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

3 11 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

3 12 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, bands, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.

3 13 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

3 14 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

3 15 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

3 16 To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub contracts

3 17 To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient

3 18 To distribute among the members of the Company in kind any property of the Company of whatever nature

3 19 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

3 20 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 including insurance for any director, officer or auditor against any liability in respect of any negligence, default, breach of duty or breach of trust (so far as permitted by law), 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 schemes to be established or maintained

3 21 Subject to and in accordance with the provisions of the Act (if and so far as such provisions shall be applicable) to give, directly or indirectly, financial assistance for the acquisition of shares or other securities of the Company or of any other company or for the reduction or discharge of any liability incurred in respect of such acquisition

3 22 To procure the Company to be registered or recognised in any part of the world

3 23 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

3 24 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

3 25 AND so that

3 25 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

3 25 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 25 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

3 25 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 £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "Ordinary Shares"), ordinary shares of 42/2,907 pence (the "New ScottishPower Shares"), 12,884,044 non cumulative preference B Shares of 50 pence each (the "B Shares"), 370,655,937 deferred shares of 50 pence each (the "Deferred Shares"), one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each (Notes 3, 4, 5, 6 , 7 and 8)

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	Jordans (Scotland) Limited 24 Great King Street Edinburgh EH3 6QN	One
2	Oswalds of Edinburgh Limited 24 Great King Street Edinburgh EH3 6QN	One
	Total shares taken	Two

Dated this 19th February 1999

Witness to the above Signatures

Cathie Balneaves
24 Great King Street
Edinburgh EH3 6QN

Company Registration Agent

Notes

(1) By special resolution passed on 29 April 1999 which became effective on 30 July 1999, the Company changed its name from New Scottish Power plc to Scottish Power plc By special resolution passed on 15 June 2007 which became effective on 13 July 2007, the Company changed its name from Scottish Power plc to Scottish Power Limited

(2) By ordinary resolution passed on 29 April 1999, sub clauses 3 1 2 to 3 1 14 (inclusive) were adopted

(3) On 22 February 1999 the Company's share capital was increased to £99,998 by the creation of 49,998 redeemable shares of £1 each

(4) By ordinary resolution passed on 29 April 1999, each of the ordinary shares of £1 each in the Company's authorised capital were sub divided into ordinary shares of 50 pence each

(5) By ordinary resolution passed on 29 April 1999, the authorised share capital of the Company was increased to £850,000,001 by the creation of an additional 1,699,800,004 ordinary shares of 50 pence each and one special rights non voting redeemable preference share of £1

(6) By ordinary resolution passed on 21 July 1999, the authorised share capital of the Company was increased to £1,500,000,001 by the creation of an additional

1,300,000,000 ordinary shares of 50 pence each ranking *pari passu* in all respects with the existing ordinary shares of 50 pence each in the capital of the Company

(7) By special resolution passed on 4 May 2006 (becoming effective 15 May 2006 or such other time and/or date as the directors of the Company may determine)

(i) one in every three of the existing issued Ordinary Shares of 50 pence in the capital of the Company held by each holder as at 6 pm on 12 May 2006, was reclassified as one non cumulative preference B Share of 50 pence each,

(ii) following such reclassification, each remaining existing Ordinary Share in the capital of the Company was subdivided into 50 unclassified shares of one pence each and forthwith upon such subdivision every 42 shares of one pence each resulting from such subdivision were consolidated into one new Ordinary Share of 42 pence (provided that no member was entitled to a fraction of a share and all fractional entitlements arising out of such subdivision and consolidation were aggregated into new Ordinary Shares and the whole number of new Ordinary Shares so arising and any remaining shares of one pence were to be sold and the net proceeds of sale to be paid in due proportion to those shareholders who would otherwise have been entitled to such fractional entitlements save that individual amounts not exceeding £3 were to be retained by the Company), and

(iii) following the reclassification and subdivision and consolidation referred to above, each authorised but unissued existing Ordinary Share was subdivided into 50 unclassified shares of one pence each and forthwith upon such subdivision every 42 shares of one pence each resulting from subdivision were consolidated into one new Ordinary Share

(8) By special resolution passed on 30 March 2007, the Company's existing Ordinary Shares were subdivided and reclassified into ordinary shares of 42/2907 pence each and then cancelled in consideration for the issue of New ScottishPower Shares of 42/2,907 pence each

THE COMPANIES ACTS 1985 and 1989

A COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SCOTTISH POWER LIMITED

(Adopted by a special resolution passed on 4 May 2006 and amended pursuant to special resolutions dated 30 March 2007, 15 June 2007 and 16 July 2007)

PRELIMINARY

Non application of statutory regulations

1 None of any regulations set out in any schedule to any statute or any statutory instrument concerning companies shall apply as regulations or articles of the Company

Definitions

2 In these Articles (if not inconsistent with the subject or context) the words in the first column of the table below have the following meanings

Words	Meanings
the 1985 Act	the Companies Act 1985,
the 1989 Act	the Companies Act 1989;
address	in relation to electronic communications, includes any number or address used for the purposes of such communications,
ADR Depositary	means a custodian or depositary or his nominee, approved by the Directors, under contractual arrangements with the Company by which he or that nominee holds shares in the Company and he or another person issues American depositary receipts evidencing rights in relation to those shares or a right to receive them,
ADR Holder	a person who has an interest in shares of the Company evidenced by an American depositary receipt issued by an ADR Depositary,
Appointed Proxy	has the meaning given in Article 161;

these Articles	these Articles of Association as may be from time to time altered,
auditors	the auditors for the time being of the Company,
certificated share	a share in the capital of the Company that is not an uncertificated share and references in these Articles to a share being held in certificated form shall be construed accordingly,
clear days	in relation to the sending of a notice means that period excluding the day when the notice is sent or deemed to be sent and the day for which it is sent or on which it is to take effect;
Company	Scottish Power Limited (formerly called Scottish Power plc),
Directors	the directors of the Company or those of such directors present at a duly convened meeting of the directors of the Company at which a quorum is present,
electronic signature	has the meaning given by Section 7(2) of the Electronic Communications Act 2000,
employees' share scheme	employees' share scheme as defined in Section 743 of the 1985 Act,
group	group as defined in Section 53 of the 1989 Act,
holder	in relation to shares, the member whose name is entered in the register of members as the holder of shares,
member	a member of the Company,
month	calendar month,
office	the registered office of the Company for the time being,
paid	paid or credited as paid,
parent company	parent company as defined in Section 258 of the 1985 Act,
recognised clearing house	recognised clearing house as defined in Section 285(1)(b) of the Financial Services and Markets Act 2000;

recognised investment exchange	recognised investment exchange as defined in Section 285(1)(a) of the Financial Services and Markets Act 2000;
recognised person	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange;
register of members	either or both of the issuer register of members and the Operator register of members of the Company to be kept pursuant to Section 352 of the 1985 Act,
Regulations	the Uncertificated Securities Regulations 2001 including any modification or re enactment of them for the time being in force,
seal	the common seal of the Company,
Secretary of State	the Secretary of State for Scotland,
securities seal	an official seal kept by the Company by virtue of Section 40 of the 1985 Act,
the Statutes	the 1985 Act, the 1989 Act and every other Act for the time being in force concerning companies and affecting the Company,
statutory reserve	any statutory reserve of the Company as referred to in Section 75 of the Electricity Act 1989,
Sterling	the lawful currency of the United Kingdom,
the London Stock Exchange	London Stock Exchange Limited,
subsidiary	subsidiary as defined in Section 736 of the 1985 Act;
subsidiary undertaking	subsidiary undertaking as defined in Section 258 of the 1985 Act and, for the avoidance of doubt, shall be deemed to include a subsidiary,
transfer office	the place where the register of members is situated for the time being,
transmission event	death, bankruptcy or any other event giving rise to the transmission of a person's entitlement to a share by operation of law,

treasury shares	has the meaning given by the 1985 Act, as amended by The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 and The Companies (Acquisition of Own Shares) (Treasury Shares) No 2 Regulations 2003,
uncertificated share	means (subject to Regulation 42(11)(a) of the Regulations) a share in the capital of the Company title to which is recorded on the Operator register of members of the Company and which may, by virtue of the Regulations, be transferred by means of a relevant system and references in these Articles to a share being held in uncertificated form shall be construed accordingly,
undertaking	undertaking as defined in Section 259 of the 1985 Act,
the United Kingdom	Great Britain and Northern Ireland, and
year	calendar year

Interpretation

3 In these Articles

References to a ***document*** include, unless the context otherwise requires, references to an electronic communication

References to an ***electronic communication*** mean, unless the contrary is stated, an electronic communication (as defined in the 1985 Act) comprising writing,

References to a document being ***executed*** include references to its being executed under hand or under seal or, in the case of an electronic communication, by electronic signature;

References to an ***instrument*** mean, unless the contrary is stated, a written document having tangible form and not comprised in an electronic communication (as defined in the 1985 Act),

References to a notice or other document being ***sent*** to a person by the Company include references to such notice or other document, or a copy of such notice or other document, being sent, given, delivered, issued or made available to, or served on, that person by any method authorised by these Articles, and ***sending*** shall be construed accordingly,

References to ***writing*** mean the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether comprised in an electronic communication (as defined in the 1985 Act) or otherwise, and ***written*** shall be construed accordingly,

The expression ***the Company's bankers*** means the Company's bankers or, if the Company engages more than one bank, the Company's principal bankers as may be selected by the Directors;

The expressions ***debenture*** and ***debenture-holder*** shall include ***debenture stock*** and ***debenture stockholder*** respectively,

The expression ***member present in person*** shall be deemed to include the presence of a proxy of a member or an authorised representative of a corporate member and cognate expressions shall be construed accordingly,

The expression ***Secretary*** shall (subject to and in accordance with the provisions of the Statutes) include any deputy secretary, assistant secretary and any other person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as joint secretaries shall include any one of those persons,

Any reference to days of notice shall be construed as meaning clear days,

Words denoting the singular shall include the plural and vice versa Words denoting the masculine gender shall include the feminine gender,

Any reference to a person shall be construed as including a reference to an undertaking,

Where any of the provisions of these Articles are stated to apply to an Article referred to by its number only, those provisions shall apply (where relevant) to all and any Articles designated by that number and a capital letter,

Save as aforesaid, any words or expressions defined in the 1985 Act or the 1989 Act shall (if not inconsistent with the subject or context) bear the same meaning in these Articles,

Save as aforesaid, words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Regulations have the same meaning as in the Regulations (but excluding any modification of the Regulations not in force at the date of adoption of these Articles) unless inconsistent with the subject or context,

Subject to the preceding two paragraphs, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re enactment of that provision for the time being in force,

Where for any purpose an ordinary resolution of the Company is expressed to be required under the provisions of these Articles, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is so expressed to be required, a special resolution shall also be effective,

The index, table of contents, headings and sub headings to Articles are inserted for convenience only and do not affect the construction of these Articles,

Powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them and (a) the word ***Directors*** in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more Directors, any Director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; (b) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (c) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power, and

In relation to a share, any reference to a relevant system is a reference to the relevant system in which that share is a participating security.

BUSINESS

Business activities

4 Any activity or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such activity or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with the same

CAPITAL

Share capital

5 1 The authorised share capital of the Company is £1,500,000,000 84 divided into ordinary shares of 42 pence each (the "**Ordinary Shares**"), ordinary shares of $^{42}/_{2,907}$ pence (the "**New ScottishPower Shares**"), 12,884,044 non cumulative preference B Shares of 50 pence each (the "**B Shares**"), 370,655,937 deferred shares of 50 pence each (the "**Deferred Shares**"), one special rights non voting redeemable preference share of £1 00 and 24 unclassified shares of 1 pence each

5 2 The New ScottishPower Shares shall rank equally with and have the same rights as those attaching to the Ordinary Shares

5A

(A) In this Article, the "**Scheme**" means the scheme of arrangement dated 26 February 2007, between the Company and certain of the shareholders of the Company under section 425 of the 1985 Act in its original form or with or subject to any modification, addition or condition the Court may think fit to approve or impose and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article

(B) Notwithstanding any other provision of these Articles, if the Company issues any Ordinary Shares (other than to Iberdrola, S A ("**Iberdrola**"), its nominee(s) or any of its subsidiaries) after the adoption of this Article and on or before the Reorganisation Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme and the holders of such shares shall be bound by the Scheme accordingly

(C) Subject to the Scheme becoming effective, if any Ordinary Shares are issued to any person after the Reorganisation Record Time, other than

(i) under the Scheme,

(ii) to Iberdrola or its nominee(s) or any of its subsidiaries, or

(iii) to holders ("**Convertible Bondholders**") of the US $700,000,000 four per cent step up perpetual subordinated guaranteed convertible bonds issued by Scottish Power Finance (Jersey) Limited convertible into fully paid four per cent exchangeable redeemable preference shares of Scottish Power Finance (Jersey) Limited which are guaranteed by the Company and which will be exchangeable immediately upon issue for ScottishPower Shares ("**Convertible Bonds**"), who have exercised their conversion rights under the terms of the Convertible Bonds,

(a "**New Member**") after the Reorganisation Record Time, the said shares (the "**New Member Shares**") shall be issued, subject to Article 5A(F), on terms that they shall (on the Effective Date or, if later, on issue and subject to paragraph (D) below) be immediately transferred to Iberdrola or its nominee(s) in consideration (subject as hereinafter provided) of and conditional on

(i) the payment by Iberdrola to the New Member of 400 pence in cash and the issue or transfer of 0 1646 of an ordinary share (*acción ordinaria*) of €3 in the capital of Iberdrola (an "**Iberdrola Share**") for each such New Member Share (or in the event that Iberdrola undertakes any subdivision, alteration or consolidation of its share capital, such number of shares as adjusted to reflect such subdivision, alteration or consolidation) rounded down to the nearest whole number of an Iberdrola Share (or such other proportion of cash and New Iberdrola

Shares the economic effect of which is equivalent to the payment of 400 pence in cash and the issue of 0 1646 of an Iberdrola Share) save that in the event that the law or regulation of a country or territory or its internal states or other governmental subdivisions outside the United Kingdom may preclude the allotment or issue or transfer to the New Member of Iberdrola Shares or may preclude the same except after compliance by the Company or Iberdrola (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Iberdrola (as the case may be) is unable to comply or which Iberdrola regards as onerous or in the event that Iberdrola is unable to confirm the availability of an exemption from any such formalities or whether a consent or other relief may be required without undertaking further administrative or other steps or making a request for relief or otherwise, then Iberdrola may in its sole discretion elect to allot or sell such Iberdrola Shares to a third party and remit the proceeds (net of expenses) to the New Member in lieu of 0 1646 of an Iberdrola Share Iberdrola Shares issued on or after the Effective Date, as a consequence of the exercise of options, will be delivered on the fourth Business Day after the Special Conversion Period Thereafter, participants will receive treasury shares held by Iberdrola, and

(ii) the payment by the Company to each New Member of 12 pence in cash for each New Member Share

(D) Any New Member may, before the allotment of New Member Shares pursuant to the exercise of an option under the ScottishPower Sharesave Scheme, give no less than five Business Days' (a "**Business Day**" being any day other than a Saturday or Sunday on which banks are generally open for business in the City of London, Edinburgh, New York and the city of Madrid (Spain)) written notice to the Company of his or her intention to transfer some or all of such shares to his or her spouse and may, if such notice has been validly given, on such shares being allotted to him or her immediately transfer to his or her spouse any such shares, provided that such shares will then be immediately transferred from that spouse to Iberdrola or its nominee(s) pursuant to paragraph (C) above as if the spouse were a New Member If notice has been validly given pursuant to this paragraph (D) but the New Member does not immediately transfer to his or her spouse the shares in respect of which the notice was given, such shares will be transferred to Iberdrola or its nominee(s) pursuant to paragraph (C) above.

(E) Subject to the Scheme becoming effective, if any Ordinary Shares are issued after the Reorganisation Record Time (as defined in the Scheme) to Convertible Bondholders who have exercised their conversion rights under the terms of the Convertible Bonds, other than Ordinary Shares which are issued subject to the Scheme or to Iberdrola or its nominee(s) or any of its subsidiaries, the said shares (the "**Bondholder Shares**") shall, subject to Article 5A(F), be issued on terms that they shall (on the Effective Date or, if

later, on issue) be immediately transferred to Iberdrola or its nominee(s) in consideration (subject as hereinafter provided) of and conditional on the payment by Iberdrola to the holder of such Bondholder Shares of 400 pence in cash and the issue of 0 1646 of an Iberdrola Share for each such Bondholder Share (or in the event that Iberdrola undertakes any subdivision, alteration or consolidation of its share capital, such number of shares as adjusted to reflect such subdivision, alteration or consolidation) rounded down to the nearest whole number of an Iberdrola Share (or such other proportion of cash and New Iberdrola Shares the economic effect of which is equivalent to the payment of 400 pence in cash and the issue of 0 1646 of an Iberdrola Share) save that in the event that the law or regulation of a country or territory or its internal states or other governmental subdivisions outside the United Kingdom may preclude the allotment or issue to the holder of the Bondholder Shares of Iberdrola Shares or may preclude the same except after compliance by the Company or Iberdrola (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Iberdrola (as the case may be) is unable to comply or which Iberdrola regards as onerous or in the event that Iberdrola is unable to confirm the availability of an exemption from any such formalities or whether a consent or other relief may be required without undertaking further administrative or other steps or making a request for relief or otherwise, then Iberdrola may in its sole discretion elect to allot or sell such Iberdrola Shares to a third party and remit the proceeds (net of expenses) to the holder of such Bondholder Shares in lieu of 0 1646 of an Iberdrola Share for each such Bondholder Share Subject to compliance with the applicable Spanish law requirements, the Iberdrola Shares shall be issued

(i) in the case of Iberdrola Shares to be issued pursuant to conversion notices received from Convertible Bondholders at any time before 6 00 p m (London time) on the eighth Business Day following the Effective Date, on the twelfth Business Day following the Effective Date (the "**Second Issue Date**");

(ii) in the case of Iberdrola Shares to be issued pursuant to the exercise of conversion rights after the Second Issue Date but before the end of the period of 60 days following the notice to Convertible Bondholders of the Effective Date or, if later, ending 60 days following the date on which notice thereof is given to Convertible Bondholders under the terms and conditions of the Convertible Bonds (the "**Special Conversion Period**"), but after the Second Issue Date, on the fourth Business Day after the end of the Special Conversion Period (the "**Third Issue Date**"), and

(iii) in the case of Iberdrola Shares to be issued pursuant to the exercise of Conversion Rights at any time after the Third Issue Date, Convertible Bondholders exercising their Conversion Rights will receive, as soon as practicable, Iberdrola Shares held as treasury stock

(F) On any reorganisation of, or material alteration to the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the cash payment per share to be paid under paragraphs (C) and (E) of this Article shall be adjusted by the Directors in such manner as they reasonably determine to be appropriate to reflect such reorganisation or alteration References in this Article to Ordinary Shares shall, following such adjustment, be construed accordingly

(G) To give effect to any transfer of New Member Shares and/or Bondholder Shares required pursuant to paragraphs (C) and (E) above, the Company may appoint any person as attorney for the New Member and/or holder of Bondholder Shares to transfer the New Member Shares and/or Bondholder Shares to Iberdrola and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the New Member Shares and/or Bondholder Shares in Iberdrola or its nominee(s) and pending such vesting to exercise all such rights attaching to the New Member Shares and/or Bondholder Shares as Iberdrola may direct If an attorney is so appointed, the New Member and/or holder of Bondholder Shares shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of Iberdrola) be entitled to exercise any rights attaching to the New Member Shares and/or Bondholder Shares unless so agreed by Iberdrola and the attorney shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member and/or holder of Bondholder Shares (or any subsequent holder) in favour of Iberdrola and/or its nominee and the Company may give a good receipt for the purchase price of the New Member Shares and/or Bondholder Shares and may register Iberdrola and/or its nominee as holder thereof and issue to it certificates for the same The Company shall not be obliged to issue a certificate to the New Member and/or holder of Bondholder Shares for the New Member Shares and/or Bondholder Shares respectively Iberdrola shall send a cheque drawn on a UK clearing bank in favour of the New Member and/or holder of Bondholder Shares (or any subsequent holder) for the cash portion of the purchase price of such New Member Shares and/or Bondholder Shares within five Business Days of the time at which the New Member Shares and/or Bondholder Shares are issued to the New Member and/or holder of Bondholder Shares Iberdrola Shares to be issued after the Effective Date as a consequence of exercise of options or rights under the ScottishPower Share Option Plans during the Special Conversion Period will receive Iberdrola Shares on the Second Issue Date or the Third Issue Date, as applicable. Thereafter they will receive Iberdrola Shares from treasury as soon as reasonably practicable

Redeemable shares and shares with special rights

6.(A) Subject to the provisions of the Statutes

(a) shares may be issued on the terms that they are, or are to be liable, to be redeemed at the option of the Company or the holder on such terms and in

such manner as may be provided by these Articles save that the date on or by which, or dates between which, any such shares are to be or may be redeemed may be fixed by the Directors (and if so fixed the date or dates must be fixed before the shares are issued),

(b) without prejudice to any rights attached to any existing shares and subject to (a) above, any shares may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, if the Company does not so determine, as the Directors may determine)

Uncertificated shares

6.(B) Subject to the provisions of the Regulations, the Directors may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security

Not separate class of shares

6.(C) Shares in the capital of the Company that fall within a certain class shall not form a separate class of shares from other shares in that class because any share in that class

(a) is held in uncertificated form, or

(b) is permitted in accordance with the Regulations to become a participating security

Exercise of Company's entitlements in respect of uncertificated shares

6.(D) Where any class of shares is a participating security and the Company is entitled under any provision of the Statutes, the Regulations or these Articles to sell, transfer or otherwise dispose of, forfeit, re allot, accept the surrender of or otherwise enforce a lien over a share held in uncertificated form, the Company shall be entitled, subject to the provisions of the Statutes, the Regulations, these Articles and the facilities and requirements of the relevant system

(a) to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company,

(b) to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice,

(c) to require the holder of that uncertificated share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the relevant system, necessary to transfer that share within the period specified in the notice;

(d) to require the Operator to convert that uncertificated share into certified form in accordance with Regulation 32(2)(c) of the Regulations, and

(e) to take any action that the board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re allotment or surrender of that share or otherwise to enforce a lien in respect of that share

7 [*Article 7 deleted*]

VARIATION OF CLASS RIGHTS

Method of varying class rights

8 (A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to and in accordance with the provisions of the Statutes, be varied or abrogated either

(a) with the consent of the holders of not less than three fourths of the issued shares of the class (excluding any shares of that class held as treasury shares), which consent shall be by means of one or more instruments and/or contained in one or more electronic communications sent to such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose or a combination of both, or

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

(but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be one member present in person holding at least one third in nominal amount of the issued shares of the class (excluding any shares of that class held as treasury shares), that any holder of shares of the class present in person may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article 8 (A) shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes

When class rights deemed to be varied

8 (B) For the purposes of this Article 8, whenever the share capital is divided into different classes of shares, and unless otherwise expressly provided by the rights attached to any share or class of shares, those rights shall be deemed to be varied by

(a) the reduction of the capital paid up on that share or class of shares otherwise than by a purchase or redemption by the Company of its own shares, and

(b) the allotment of another share ranking in priority for payment of a dividend or in respect of capital or which confers on its holder voting rights more favourable than those conferred by that share or class of shares,

but shall not be deemed to be varied by

(c) the creation or issue of another share ranking equally with, or subsequent to, that share or class of shares or by the purchase or redemption by the Company of its own shares; or

(d) the Company permitting, in accordance with the Regulations, the holding of and transfer of title to shares of that or any other class in uncertificated form by means of a relevant system

ALTERATION OF CAPITAL

Increase in capital

9 The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe

New shares

10 All new shares created by ordinary resolution pursuant to Articles 9 and 11 shall be

(a) subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture, and

(b) unclassified unless otherwise provided by these Articles, by the resolution creating the shares or by the terms of allotment of the shares

Alterations permitted by ordinary resolution

11 (A) The Company may by ordinary resolution

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares,

(b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled,

(c) sub divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub divided may determine that, as between the holders of the shares resulting from such sub division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject

to any such restrictions, as the Company has power to attach to unissued or new shares

Fractions arising

11 (B) Whenever any fractions arise as a result of a consolidation or sub division of shares, the Directors may on behalf of the members deal with the fractions as they think fit In particular, without limitation, the Directors may sell shares representing fractions to which any members would otherwise become entitled to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members Where the shares to be sold are held in certificated form the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the buyer Where the shares to be sold are held in uncertificated form, the Directors may do all acts and things they consider necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the buyer The buyer shall not be bound to see to the application of the purchase moneys and his title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in relation to the sale

Power to purchase own shares

12 Subject to and in accordance with the provisions of the Statutes, the Company may purchase any of its own shares (including without limitation any redeemable shares) and may hold such shares as treasury shares but not unless the purchase has been sanctioned by an extraordinary resolution passed at a separate meeting of the holders of any class of convertible shares in the Company carrying rights to convert into equity share capital of the Company

Power to reduce capital

13. Subject to and in accordance with the provisions of the Statutes and to any rights attached to any shares, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner

SHARES

Allotment

14 Subject to the provisions of the Statutes relating to authority, pre emption rights and otherwise, of any resolution of the Company in general meeting passed pursuant thereto and of these Articles, all unissued shares in the Company shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper

Commissions

15 In addition to all other powers of paying commissions, the Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted Any such commissions may be paid in cash or in fully or partly paid shares of the Company, or partly in one way and partly in another, as may be arranged The Company may also on any issue of shares pay such brokerage as may be lawful

Renunciation

16 The Directors may at any time after the allotment of any share but before any person has been entered in the register of members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

Interests not recognised

17 (A) Except as required by law or by these Articles, the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the holder or, in the case of a share warrant, in the bearer of the warrant for the time being

Trusts may be recognised

17 (B) The Company shall be entitled, but except as required by law shall not be bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the Company Notwithstanding any such recognition, the Company shall not be bound to see to the execution, administration or observance of any trust, whether express, implied or constructive, in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the holders of such shares as if they were the absolute owners thereof For the purpose of this Article 17.(B), ***trust*** includes any right in respect of any shares of the Company other than an absolute right thereto in the holder thereof for the time being or such other rights in case of transmission thereof as are mentioned in these Articles

Issue of share warrants to bearer

18 (A) The Company may, with respect to any fully paid shares, issue a warrant to bearer (hereinafter called a ***share warrant***) stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant The Directors may decide, either generally or in any particular case or cases, that any signature on a share warrant may be applied by mechanical means or printed on it or that the share warrant need not be signed by any person

Conditions of issue

18 (B) The powers referred to in Article 18 (A) may be exercised by the Directors who may determine and vary the conditions upon which share warrants shall be issued and in particular upon which.

(a) a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed),

(b) the bearer of a share warrant shall be entitled to attend and vote at general meetings,

(c) dividends will be paid, and

(d) a share warrant may be surrendered and the name of the holder entered in the register of members in respect of the shares specified in it

Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a member for all purposes The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable thereto whether made before or after the issue of such share warrant

No right in relation to share

18 (C) The Company shall not be bound or compelled in any way to recognise any right in respect of the share represented by a share warrant other than the bearer's absolute right to the share warrant

CERTIFICATES

Authentication and form of certificates

19 (A) Every certificate for shares, warrants, debentures or other securities of the Company and every certificate relating to a participation in an employees' share scheme shall (except to the extent that the terms and conditions for the time being relating thereto otherwise provide) either (a) be issued under the seal (or under a securities seal or, in the case of shares on a branch register, an official seal for use in the relevant territory) or (b) bear the signature of one Director or the Secretary or a person authorised to subscribe the certificate on behalf of the Company or (c) both, provided that the Directors may by resolution determine, either generally or in any particular case or cases, that any such signature shall be affixed by some method or system of mechanical signature Every such Certificate shall specify the number and class of shares, debentures or other securities to which it relates and the amount paid up thereon. No certificate shall be issued representing shares, debentures or other securities of more than one class No certificate need be issued in respect of shares, debentures or other securities held by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of which

the Company is not required by law to complete and have ready for delivery a certificate

Evidence of title to securities

19 (B) Nothing in these Articles shall require title to any securities of the Company to be evidenced or transferred by an instrument, the regulations from time to time made under the Statutes so permitting The Directors shall have power to implement any procedures as they may think fit and as may accord with the Statutes and any regulations made thereunder for the recording and transferring of title to securities and for the regulation of those procedures and the persons responsible for or involved in their operation

Members' rights to certificates

20 Every member, on becoming the holder of any certificated share (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) shall be entitled, without payment, to one certificate for all the certificated shares of each class held by him (and, on transferring a part of his holding of certificated shares of any class, to a certificate for the balance of his holding of certificated shares) He may elect to receive one or more additional certificates for any of his certificated shares if he pays for every certificate after the first a reasonable sum determined from time to time by the board of Directors Every certificate shall·

(a) be executed under the seal or otherwise in accordance with Article 125 or in such other manner as the Directors may approve; and

(b) specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares.

The Company shall not be bound to issue more than one certificate for certificated shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them Shares of different classes may not be included in the same certificate

Transfer of a part

21 Where a member transfers some only of the shares comprised in a share certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge

Cancellation and replacement of certificates

22 (a) Any two or more certificates representing shares of any one class held by any member may, at his request, be cancelled and a single new certificate for all such shares issued in lieu at a reasonable charge

(b) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request at a reasonable charge

(c) If a share certificate shall be damaged, defaced, worn out, or alleged to have been lost, stolen or destroyed, it may be replaced by a new certificate on request subject to (in the case of damage, defacement or wearing out) delivery up of the certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions (if any) as to evidence and indemnity as the Directors think fit Any such replacement certificate shall be issued without charge save that, in the case of alleged loss, theft or destruction, the person to whom a new certificate is issued shall pay to the Company any exceptional out of pocket expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of the requisite form of indemnity as aforesaid

(d) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders

CALLS ON SHARES

Power to make calls

23 The Directors may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of issue thereof made payable at fixed times Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company, at the time or times and place so specified, the amount called on his shares A call may be required to be paid in instalments and may be either revoked or postponed by the Directors in whole or in part at any time before receipt by the Company of a sum due thereunder A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made

Time when call made

24 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed

Liability of and receipts by joint holders

25 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and any one of such persons may give an effectual receipt for any return of capital payable in respect of such share

Interest payable

26 If a sum called in respect of a share is not paid in whole or in part before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of the allotment of the share or in the notice of the call or, if no rate is fixed, the rate determined by the Directors, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined in the 1985 Act), and all expenses that may have been incurred by the Company by reason of such non payment, but the Directors shall be at liberty, in any case or cases, to waive payment of such interest and expenses, wholly or in part No dividend, or other payment or distribution, in respect of any such share shall be paid or distributed and no other rights, which would otherwise normally be exercisable in accordance with these Articles by a holder of fully paid shares, may be exercised by the holder of any share so long as any such amount, or any interest, costs, charges or expenses payable in accordance with this Article 26 in relation thereto, remains unpaid

Deemed calls

27 Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable In the case of non payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become due and payable by virtue of a call duly made and notified

Differentiation in calls

28 The Directors may, subject to the terms of the allotment, make arrangements on the issue of shares to differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment

Payments of calls in advance

29 The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him, and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made The Company may pay interest upon the moneys so received (until and to the extent that the same would but for such advance become payable) at such rate not exceeding (unless the Company by ordinary resolution otherwise directs) 15 per cent per annum or, if higher, the appropriate rate (as defined in the 1985 Act) as the member paying such sum and the Directors agree upon No sum paid up in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend, or other payment or distribution, subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become payable

FORFEITURE, SURRENDER AND LIEN

Notice requiring payment of call on default

30 If a member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for payment thereof, the Directors may, at any time thereafter, send a notice to him requiring payment of so much of the call or instalment as is unpaid together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non payment

Content of notice

31 The notice shall name a further day (not being less than fourteen days from the date of sending the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that, in the event of non payment in accordance therewith, the shares on which the call was made will be liable to be forfeited

Forfeiture for non compliance

32 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter, before payment of all calls, interest, costs, charges and expenses due in respect thereof has been received by the Company, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends, and other payments or distributions, declared in respect of the forfeited share and not actually paid or distributed before forfeiture The Directors may accept a surrender of any share liable to be forfeited hereunder

Notice of forfeiture

33 When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be sent to the holder of the share, or the person entitled to the share by transmission as the case may be, and, where the forfeited share is held in certificated form, an entry of such notice having been sent, and of the forfeiture with the date thereof, shall forthwith be made in the register of members opposite to the entry of the share but no forfeiture shall be, in any manner, invalidated by any omission or neglect to send such notice or to make such entry as aforesaid

Annulment of forfeiture

34 Notwithstanding any such forfeiture or surrender as aforesaid, the Directors may, at any time before the forfeited or surrendered share has been otherwise disposed of, annul the forfeiture or surrender upon the terms of payment of all calls and interest due upon and expenses incurred in connection with the call and forfeiture proceedings and upon any further or other terms they may think fit

Sale of forfeited shares

35 A share so forfeited or surrendered shall become the property of the Company and may (subject to and in accordance with the provisions of the Statutes) be sold, re allotted or otherwise disposed of, either to the person who was, before such forfeiture or surrender, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and whether with or without all or any part of the amount previously paid on the share being credited as paid Where, for the purposes of its disposal, a forfeited share held in certificated form is to be transferred to any person, the Directors may authorise any person to execute an instrument of transfer of the share to that person Where, for the purpose of its disposal, a forfeited share held in uncertificated form is to be transferred to any person, the Directors may exercise any of the Company's powers under Article 6 (D) The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share.

Extinction of rights

36 A person, all or any of whose shares have been forfeited or surrendered, shall cease to be a member in respect of the forfeited or surrendered shares and shall, if the share is a certificated share, surrender the certificate for any share forfeited or surrendered to the Company for cancellation Such person shall remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender, were presently payable by him to the Company in respect of the shares, with interest thereon the rate at which interest was payable on those moneys before the forfeiture or surrender or, if no interest was payable, at the rate determined by the Directors, not exceeding 15 per cent per annum or, if higher, the appropriate rate (as defined in the 1985 Act), from the date of forfeiture or surrender until payment but the Directors may waive payment of such interest either wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender

Company to have lien on shares

37 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share The Company shall also, insofar as is permitted by the Statutes, have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member, or his estate, to the Company The lien shall apply (a) notwithstanding that those debts and liabilities have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, (b) whether or not the period for the payment or discharge of the same shall have actually arrived, and (c) notwithstanding that the same are joint debts or liabilities of such member, or his estate, and any other person, whether a member of the Company or not The Company's lien (if any) on a share shall extend to all dividends and other payments or distributions payable or distributable thereon or in

respect thereof The Directors may waive any lien which has arisen and may declare any share to be exempt, wholly or partially, from the provisions of this Article 37

Enforcement of lien by sale

38. The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless some sum, in respect of which the lien exists, is presently payable nor until the expiration of fourteen days after a notice stating and demanding payment of the sum presently payable, and sending notice of the intention to sell in default, shall have been sent to the holder for the time being of the share or the person entitled thereto by reason of a transmission event To give effect to that sale the Directors may, if the share is a certificated share, authorise any person to execute an instrument of transfer in respect of the share sold to, or in accordance with the directions of, the buyer If the share is an uncertificated share, the Directors may exercise any of the Company's powers under Article 6.(D) to effect the sale of the share to, or in accordance with the directions of, the buyer The buyer shall not be bound to see to the application of the purchase money and his title to the share shall not be affected by any irregularity in or invalidity of the proceedings in relation to the sale

Application of proceeds

39 The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists, so far as the same are presently payable, and any residue shall (if the share sold is a certificated share, on surrender to the Company for cancellation of the certificate in respect of the share sold and, whether the share sold is a certificated or uncertificated share, subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale

Giving effect to the sale

40 A statutory declaration contained in an instrument that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration, and the receipt of the Company for the consideration (if any) given for the share on the sale, re allotment or disposal thereof together with, in relation to certificated shares, the share certificate delivered to a purchaser or allottee thereof, shall (subject if necessary to the execution of an instrument of transfer or transfer by means of a relevant system, as the case may be) constitute a good title to the share and the person to whom the share is sold, re allotted or disposed of shall be registered as the holder of the share, and shall not be bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re allotment or disposal of the share, and the remedy of any

person aggrieved in respect thereof shall be in damages only and against the Company exclusively

TRANSFER OF SHARES

Form and execution of transfers

41 Except as may be provided by any procedures implemented pursuant to Article 19 (B), all transfers of certificated shares shall be effected by an instrument in any usual or common form, or in any other form acceptable to the Directors The instrument of transfer shall be executed by, or on behalf of, the transferor and (except in the case of fully paid shares) by, or on behalf of, the transferee The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof All transfers of uncertificated shares shall be effected in accordance with the Regulations

Suspension of registration

42. The registration of transfers may be suspended and the register of members closed, at such times and for such period as the Directors may from time to time determine and either generally or in respect of any class of shares provided that the register of members shall not be closed for more than thirty days in any year, except that the Directors may not suspend the registration of transfers of any participating security without the consent of the Operator of the relevant system

Refusal to register

43 The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of a certificated share which is not a fully paid share, provided that the refusal does not prevent dealings in the shares in the Company from taking place on an open and proper basis

Requirements for registration of transfer

44 (A) The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register the transfer of a certificated share unless the instrument of transfer (a) is in respect of only one class of share, (b) is duly stamped, or adjudged or certified as not chargeable to stamp duty, and is deposited at the transfer office, or at such other place as the Directors may from time to time determine, accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf the authority of that person so to do), and (c) is in favour of not more than four transferees jointly In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgment of share certificates will only be necessary if, and to the extent that, certificates have been issued in respect of the shares in question

Notice of refusal to register

44 (B) If the Directors refuse to register a transfer of a share in certificated form, they shall send the transferee notice of their refusal within two months after the date on which the instrument of transfer was lodged with the Company

Retention of transfers

45 All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of refusal is given

No fee payable for registration of transfers

46. No fee will be charged by the Company in respect of the registration of any instrument of transfer, confirmation, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the register of members affecting the title to any shares.

Renunciations recognised and new transfer procedures

47 Nothing in these Articles shall preclude the Directors

(a) from recognising a renunciation of the allotment of any share by the allottee in favour of some other person, or

(b) if empowered by these Articles to authorise any person to execute an instrument of transfer of a share, from authorising any person to transfer that share in accordance with any procedures implemented pursuant to Article 19 (B)

DESTRUCTION OF DOCUMENTS

Permitted times for destruction

48 (A) The Company shall be entitled to destroy

(a) all share certificates which have been cancelled at any time after the expiration of one year from the date of such cancellation,

(b) all notifications of change of name and address and all dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of two years from the date of the recording of such notification or, as the case may be, the date of such cancellation or cessation,

(c) all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration thereof;

(d) all paid dividend warrants and cheques at any time after the expiration of two years from the date of actual payment,

(e) all proxy appointments which have been used for the purpose of a poll at any time after the expiration of one year from the date of use,

(f) all proxy appointments which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the proxy appointments relate and at which no poll was demanded, and

(g) any other documents on the basis of which any entry in the register of members has been made at any time after the expiration of six years from the date of the first entry in the register of members in respect thereof

Presumptions as to validity

48 (B) It shall conclusively be presumed in favour of the Company that (a) every entry in the register of members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, (b) that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, (c) every share certificate so destroyed was a valid and effective document duly and properly cancelled; and (d) every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company

Provided always that

(i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid, or in any other circumstances, which would not attach to the Company in the absence of this Article 48,

(iii) references herein to the destruction of any document include references to the disposal thereof in any manner

TRANSMISSION OF SHARES

Transmission

49 (A) In case of the death of a member, the survivors or survivor where the deceased was a joint holder, or the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article 49 shall release

the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him

Registration on death, bankruptcy, etc.

49 (B) Subject to the provisions of Article 49.(A), any person becoming entitled to a share in consequence of a transmission event may (subject as hereinafter provided), upon such evidence being produced as may from time to time properly be required by the Directors, elect either to become the holder of the share or to have another person nominated by him registered as the transferee The Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before the occurrence of the transmission event

Elections required

49.(C) If a person becoming entitled by transmission to a share elects to become the holder he shall send notice to the Company to that effect If he elects to have another person registered and the share is a certificated share, he shall execute an instrument of transfer of the share to that person If he elects to have himself or another person registered and the share is an uncertificated share, he shall take any action the Directors may require (including without limitation the execution of any document and the giving of any instruction by means of a relevant system) to enable himself or that person to be registered as the holder of the share All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the transmission event as aforesaid, had not occurred and the notice or transfer were a transfer signed by that member The Directors may at any time send a notice requiring a person becoming entitled to a share on a transmission event to elect to be registered himself or to transfer the share and, if the notice is not complied with within sixty days, the Directors may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with

Rights of persons entitled by transmission

49 (D) Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a registered share in consequence of a transmission event (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the holder of the share That person may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the holder of the share, be entitled (except with the authority of the Directors) to receive notices of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a member, unless and until he shall have become a member in respect of the share

DISCLOSURE OF INTERESTS IN SHARES

Interpretation of and definitions for Article 50

50 (A) For the purposes of this Article 50

(a) a person other than the member holding a share shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a Section 212 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested,

(b) ***interested*** shall be construed as it is for the purpose of Section 212 of the 1985 Act,

(c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (i) reference to his having failed or refused to give all or any part of it and (ii) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular,

(d) ***the prescribed period*** means fourteen days,

(e) an ***approved transfer*** means, in relation to any shares held by a member·

(i) a transfer by way of or pursuant to acceptance of a take over offer for the Company (within the meaning of Section 428(1) of the 1985 Act), or

(ii) a transfer in consequence of a sale made through a recognised investment exchange or recognised clearing house or any other stock exchange or market outside the United Kingdom on which the Company's shares are normally traded, or

(iii) a transfer which is shown to the satisfaction of the Directors to be made in consequence of a *bona fide* sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares

Disenfranchisement

50 (B) If a member, or any other person appearing to be interested in shares held by that member, has been sent a notice under Section 212 of the 1985 Act and has failed in relation to any shares (***the default shares***, which expression shall include any further shares which are allotted or issued in respect of such shares) to give the Company the information thereby required within the prescribed period from the date of sending the notice, then the Directors may, in their absolute discretion at any time

thereafter, by notice (a ***direction notice***) to such member (which shall be conclusive against such member and its validity shall not be questioned by any person) direct, with effect from sending the notice (and subject to Article 50.(D)), that

(a) the member shall not be entitled in respect of the default shares to attend or vote (either in person or by proxy or (if the member is a corporation) by authorised representative) at any general meeting or at any separate meeting of the holders of that class of shares or on a poll, and

(b) where the default shares represent 0 25 per cent or more in nominal value of the issued shares of their class (excluding any shares of that class held as treasury shares).

(i) no payment shall be made by way of dividend and no share shall be allotted pursuant to Article 141 below,

(ii) no transfer of any shares held by the member shall be registered unless

(aa) the member is not himself in default as regards supplying the information required and the member provides evidence to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer,

(bb) the transfer is an approved transfer, or

(cc) registration of the transfer is required by the Regulations

Sending notices to non members

50.(C) The Company shall send to each other person appearing to be interested in the shares which are the subject of a direction notice, a copy of such notice at the same time as the notice is sent to the relevant member, but the failure or omission to do so, or the non receipt by that person of the copy, shall not invalidate or otherwise affect the application of Article 50.(B)

Sending notices to an ADR Depositary

50 (D) Where the member to whom the notice under Section 212 of the 1985 Act is sent is an ADR Depositary acting in its capacity as such

(a) the obligations of the ADR Depositary as a member pursuant to the preceding provisions of this Article 50 shall be limited to disclosing to the Company such information relating to the shares in question as has in each such case been recorded pursuant to the terms of any agreement entered into between the ADR Depositary and the Company, provided that nothing in this Article 50.(D) shall in any other way restrict the powers of the Directors under this Article 50, and

(b) the sanctions under Article 50 (B) and the directions contained in any direction notice sent under Article 50 (B) shall not be effective unless the relevant direction notice sent to the ADR Depositary states that a specified ADR Holder or Holders, as the case may be, is or are believed to be interested in a specified number of shares, and that those shares are default shares (as defined in Article 50 (B) above)

Cessation of disenfranchisement

50 (E) The sanctions under Article 50 (B) above shall have effect for so long as the default in respect of which the direction notice was issued continues and shall cease to have effect

(a) if the shares are transferred by means of an approved transfer, or

(b) when the Directors are satisfied that the information required by the notice mentioned in that Article has been received in writing by the Company (such determination to be made within a period of one week of the default being duly remedied with written notice thereof being sent forthwith to the member)

The Directors may at any time send notice cancelling a direction notice

Conversion of uncertificated shares

50 (F) The Company may exercise any of its powers under Article 6 (D) in respect of any default share that is held in uncertificated form

51 [*Article 51 deleted*]

UNTRACED SHAREHOLDERS

Power to dispose of shares of untraced shareholders

52 (A) The Company shall be entitled to sell, in such manner as the Directors see fit and at the best price reasonably obtainable, any share held by a member or any share to which a person is entitled by transmission if

(a) for a period of 12 years before the giving of notice pursuant to sub paragraph (c) no cheque or warrant for amounts payable in respect of the share, sent and payable in a manner authorised by these Articles has been cashed and no communication in respect of the share has been received by the Company from the member or person concerned,

(b) during that period at least three dividends in respect of the share have become payable,

(c) the Company has, after the expiration of that period, by advertisement in one Scottish and one leading national newspaper and in a newspaper circulating in the area to which the cheques or warrants were sent, and by notice to the Quotations Department of The London Stock Exchange if shares of the class

concerned are listed or dealt in on that exchange, given notice of its intention to sell such share; and

(d) the Company has not, during the further period of three months after the date of the advertisement and prior to the sale of the share, received any communication in respect of the share from the member or person concerned

Power to dispose of additional shares

52 (B) The Company shall also be entitled to sell, in the manner provided for in this Article 52, any share (***additional share***) issued during the said period or periods of 12 years and 3 months in right of any share to which Article 52 (A) applies or in right of any share issued during either of such periods, provided that the requirements of sub paragraphs (a) (but modified to exclude the words "for a period of 12 years before the giving of notice pursuant to sub paragraph (c)"), (c) (but modified to exclude the words "after the expiration of that period") and (d) of Article 52 (A) are satisfied in respect of such additional share

Transfer on sale

52 (C) To give effect to any sale pursuant to Article 52 (B), the Directors may

(a) where the shares are held in certificated form, appoint any person to execute as transferor, an instrument of transfer of the shares to, or in accordance with the directions of, the buyer, or

(b) where the shares are held in uncertificated form, do all acts and things they consider necessary or expedient to effect the transfer of the shares to, or in accordance with, the directions of the buyer

Sale procedure and application of proceeds

52 (D) An instrument of transfer executed in accordance with Article 52 (C)(a) shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto An exercise by the Company of its powers in accordance with Article 52 (C)(b) shall be as effective as if exercised by the registered holder of or the person entitled by transmission to the shares The Company shall be indebted to the former member or other person previously entitled to the said shares for an amount equal to the net proceeds of sale, but no trust shall be created and no interest shall be payable in respect of the proceeds of sale The Company shall not be required to account for any money earned on the net proceeds of sale, which may be used in the Company's business or invested in such a way as the Directors may from time to time think fit.

STOCK

Conversion into stock

53 Subject to the provisions of these Articles, the Company may, from time to time, by ordinary resolution, convert any fully paid shares into stock or reconvert any stock into fully paid shares of any denomination If and whenever any shares of any class in the capital of the Company for the time being shall have been issued and be fully paid, and at that time the shares of that class previously issued shall stand converted into stock, such further shares, upon being fully paid, shall *ipso facto* be converted into stock transferable in the same units as the existing stock of that class

Transfer of stock

54 The holders of stock may transfer the same or any part thereof, unless otherwise directed by ordinary resolution of the Company, in the same manner and subject to the same regulations as those subject to which the shares from which the stock arose might, previously to conversion, have been transferred (or as near thereto as circumstances admit), but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine

Rights of stockholders

55 The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such right, privilege or advantage (except as regards participation in the dividends, profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right, privilege or advantage All the provisions of these Articles applicable to paid up shares shall apply to stock, and the words ***share*** and ***member*** shall include ***stock*** and ***holder of stock*** respectively

GENERAL MEETINGS

Types of general meetings

56 An annual general meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors All other general meetings shall be called extraordinary general meetings.

Extraordinary general meetings

57 The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an extraordinary general meeting in accordance with the Statutes

General meetings at more than one place

58 (A) The Directors may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at another place designated by the Directors as a satellite meeting place The members present in person or by proxy at any satellite meeting place shall be counted in the quorum for, and be entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to.

(a) participate in the business for which the meeting has been convened;

(b) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and

(c) be heard and seen by all other persons so present in the same way

The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place

Interruption or adjournment where facilities inadequate

58 (B) If it appears to the chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in Article 58 (A), then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting All business conducted at that general meeting up to the time of that adjournment shall be valid The provisions of Article 66 shall apply to that adjournment

Other arrangements for viewing/hearing proceedings

58 (C) The Directors may make arrangements for persons entitled to attend a general meeting or an adjourned general meeting to be able to view and hear the proceedings of the general meeting or adjourned general meeting and to speak at the meeting (whether by the use of microphones, loudspeakers, audio visual communications equipment or otherwise) by attending at a venue anywhere in the world not classified as a satellite meeting place Those attending at any such venue shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote at the meeting at or from that venue The inability for any reason of any member present in person or by proxy or any other person at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting

Controlling level of attendance

58 (D) The Directors may from time to time make such arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant

to Article 58 (C) (including without limitation the issue of tickets or the imposition of some other means of selection) as they in their absolute discretion consider appropriate, and may from time to time change those arrangements If a member, pursuant to those arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at any other venue for which arrangements have been made pursuant to Article 58 (C) The entitlement of any member to be present at such venue in person or by proxy shall be subject to any such arrangement then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting

Change in place and/or time of meeting

58 (E) If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors decide that it is impracticable or unreasonable for a reason beyond their control to hold the meeting at the declared place (or any of the declared places, in the case of a meeting to which Article 58.(A) applies) and/or time, it may change the place (or any of the places, in the case of a meeting to which Article 58 (A) applies) and/or postpone the time at which the meeting is to be held If such a decision is made, the Directors may then change the place (or any of the places, in the case of a meeting to which Article 58 (A) applies) and/or postpone the time again if they decide that it is reasonable to do so In either case

(a) no new notice of the meeting need be sent, but the Directors shall, if practicable, advertise the date, place and time of the meeting in at least one leading Scottish and one leading national daily newspaper and shall make arrangements for notices of the change of place and/or postponement to appear at the original place and/or at the original time, and

(b) a proxy appointment in relation to the meeting may, if by means of an instrument, be delivered to the office or such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 82 (A)(a), or, if contained in an electronic communication, be received at the address (if any) specified by or on behalf of the Company in accordance with Article 82 (A)(b) at any time not less than 48 hours before any new time appointed for holding the meeting

Meaning of participate

58 (F) For the purposes of this Article 58, the right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote on a show of hands, vote on a poll, be represented by a proxy and have access to all documents which are required by the Statutes or these Articles to be made available at the meeting

Security

58 (G) The Directors and, at any general meeting, the chairman may make any arrangement and impose any requirement or restriction they or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place The Directors and, at any general meeting, the chairman are entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions

NOTICE OF GENERAL MEETINGS

Recipients of notice

59 (A) Subject to the provisions of the Statutes, to the provisions of these Articles and to the restrictions imposed on any shares, notice of a general meeting shall be sent to all members, to each of the Directors and to the auditors. Notice of general meetings shall also be sent to all Appointed Proxies if and to the extent that they would have been entitled under these Articles to receive such notice had they been a member

Period of notice

59 (B) An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been sent to the Company, shall be called by twenty one clear days' notice at the least, and any other extraordinary general meeting by fourteen clear days' notice at the least sent in the manner hereinafter mentioned to the auditors and to all members and Appointed Proxies other than such as are not under the provisions of these Articles entitled to receive such notices from the Company, provided that a general meeting, notwithstanding that it has been called by shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed

(a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat, and

(b) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right

A Director shall be entitled to receive notice of, and to attend and speak at, any general meeting or class meeting, notwithstanding that he is not a member of the Company

Accidental omission to send notice

59 (C) The accidental omission to send a notice of a meeting, or to send any notification where required by the Statutes or these Articles in relation to the publication of a notice of meeting on a website, or to send a form of proxy where required by the Statutes or these Articles, to any person entitled to receive it, or the non receipt for any reason of any such notice or notification or form of proxy by that person, whether or not the Company is aware of such omission or non receipt, shall not invalidate the proceedings at that meeting

Contents of notice

60 (a) Every notice calling a general meeting shall specify the place and the day and hour of the meeting (including without limitation any satellite meeting place arranged for the purposes of Article 58 (A), which shall be identified as such in the notice), and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company

(b) In the case of an annual general meeting, the notice shall also specify the meeting as such

(c) In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect

(d) The notice shall include details of any arrangements made for the purpose of Article 58 (C) (making clear that participation in these arrangements will not amount to attendance at the meeting to which the notice relates)

Routine business

61 Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say

(a) sanctioning or declaring dividends,

(b) receiving and/or adopting the accounts, the reports of the Directors and auditors and other documents required to be annexed to the accounts,

(c) appointing or re appointing the retiring auditors (unless they were last appointed otherwise than by the Company in general meeting),

(d) fixing the remuneration of the auditors or determining the manner in which such remuneration is to be fixed, and

(e) appointing or re appointing directors to fill vacancies arising at the meeting on retirement by rotation or otherwise

Notice of resolutions

62 The Directors shall, on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided·

(a) send to the members entitled to receive notice of the next annual general meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting,

(b) send to the members entitled to receive notice of any general meeting, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting

PROCEEDINGS AT GENERAL MEETINGS

Quorum

63 No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business and during the transaction of business One person entitled to vote upon the business to be transacted, being a member, the proxy of a member or a duly authorised representative of a corporation which is a member shall be a quorum

If quorum not present

64 If within fifteen minutes from the time appointed for a general meeting (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved In any other case, or if during the transaction of business the quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same place and time, or to such other day and at such other place and time as the chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved

Chairman

65 The chairman of the Directors, failing whom one of the deputy chairmen, failing whom one of any vice chairmen (to be chosen, if more than one are present and in default of agreement amongst themselves, by lot) shall preside as chairman at a general meeting If there be no such chairman or deputy chairman or vice chairman, or if at any meeting none of them be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director is present or if all the Directors present

decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting

Adjournments

66 The chairman of the meeting may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. In addition (and without prejudice to the chairman's power to adjourn a meeting conferred by Article 58 (B)), the chairman may adjourn the meeting to another place and time without such consent if it appears to him that

(a) it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present, or

(b) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting, or

(c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted

Place and time of adjourned meetings

67 Any such adjournment pursuant to Article 66 may be to such other place (or, in the case of a meeting held at a principal meeting place and a satellite meeting place, such other places) and for such time as the chairman may, in his absolute discretion determine, notwithstanding that by reason of such adjournment some members or other persons entitled to attend and vote may be unable to be present at the adjourned meeting Any such member or any Appointed Proxy may nevertheless appoint a proxy for the adjourned meeting either in accordance with Article 82.(A)(a) or by means of an instrument which, if delivered by him to the chairman or the Secretary, shall be valid even though it is given at less notice than would otherwise be required by Article 82.(A)(a) When a meeting is adjourned for 30 days or more or for an indefinite period, notice shall be sent at least seven clear days before the date of the adjourned meeting specifying the place and time (or places, in the case of a meeting to which Article 58 (A) applies) of the adjourned meeting and the general nature of the business to be transacted Otherwise it shall not be necessary to send any notice of an adjournment or of the business to be transacted at an adjourned meeting

Amendments to resolutions

68 No amendment to a resolution duly proposed as an ordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error) unless either (a) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and the intention to move it has been lodged by means of an instrument at the registered office of the Company, or received in an

electronic communication at such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose, or (b) the chairman in his absolute discretion decides that the amendment may be considered and voted on If an amendment shall be proposed to any resolution under consideration, but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in such ruling In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon

Methods of voting

69 At any general meeting a resolution (other than a Special or Extraordinary Resolution) put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll as hereinafter mentioned) demanded by either

(a) the chairman of the meeting, or

(b) not less than five persons having the right to vote at the meeting;

(c) a member or members present in person holding not less than one tenth of the total voting rights of all the members having the right to vote at the meeting (excluding voting rights attached to any shares held as treasury shares), or

(d) a member or members present in person holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right (excluding any shares of that class held as treasury shares)

A demand by a person as a proxy for a member shall be the same as a demand by the member and in such case references in sub paragraphs (c) and (d) above to shares held by a member shall be deemed to be references to the shares in respect of which such person has been appointed proxy All Special Resolutions and Extraordinary Resolutions shall be decided only on a poll

Declaration of result and conduct of poll

70 A demand for a poll may be withdrawn at any time before the conclusion of the meeting or the taking of the poll, whichever is the earlier Unless a poll is required or duly demanded (and the demand is not withdrawn) a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution Any poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of a poll shall be deemed to be the

resolution of the meeting at which the poll was demanded The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll

Chairman's casting vote

71 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the votes to which he may be entitled as a member or as a proxy or authorised representative of a member.

When poll to be taken

72 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith A poll held on any other question shall be taken either immediately or at such subsequent time (being not more than thirty days after the date of the meeting) and place as the chairman may direct. No notice need be sent of a poll not taken immediately

Continuance of meeting

73 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made

VOTES OF MEMBERS

Right to vote

74 Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member present in person (but excluding for this purpose, the proxy of a member or the proxy of an Appointed Proxy) and entitled to vote shall have one vote, and on a poll every member present in person and entitled to vote shall have one vote for every share held by him

Votes of joint holders

75 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy or (if such senior member is a corporation) by authorised representative, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding

Member under incapacity

76. A member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) for the protection or management of the affairs of persons incapable of managing their own affairs, may vote, whether on a show of hands or on a poll, by his committee, receiver, *curator bonis* or other person in the nature of a committee, receiver or curator bonis appointed by such court, and any such committee, receiver, *curator bonis* or other person may, on a poll, vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the transfer office, or at such other place (if any) as is specified for the delivery of proxy appointments in accordance with these Articles, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting) for the taking of the poll at which it is desired to vote.

Calls in arrears

77 No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to attend or vote at a general meeting either personally or by proxy or (if the member is a corporation) by authorised representative to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of shares in the Company remains unpaid

ADMISSIBILITY OF VOTES

Objections to voting

78 If (a) any objection shall be raised to the qualification of any person to vote or to the admissibility of any vote or (b) any votes have been counted which ought not to have been counted or which might have been rejected or (c) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs Any objection or error raised or pointed out in due time shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting The decision of the chairman on such matters shall be final and conclusive

Supplementary provisions on voting

79 On a poll votes may be given either personally or by proxy or (if the member is a corporation) by authorised representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way

PROXIES

Proxy need not be member

80 A proxy need not be a member of the Company

Appointment and form of proxy

81 (A) Subject to Article 81 (C), the appointment of a proxy, whether by means of an instrument or contained in an electronic communication, shall be executed in such manner as the Directors may approve. Subject thereto, the appointment of a proxy shall be executed by the appointor or his attorney or, if the appointor is a corporation, executed by a duly authorised officer, attorney or other authorised person or under its common seal For the purpose of this Article and Articles 81 (B) and 82, an electronic communication which contains a proxy appointment need not comprise writing if the Directors so determine and in such a case, if the Directors so determine, the appointment need not be executed but shall instead be subject to such conditions as the Directors may approve

81 (B) The appointment of a proxy shall be in any usual form or in any other form which the Directors may approve Subject thereto, the appointment of a proxy may be

(a) by means of an instrument, or

(b) contained in an electronic communication sent to such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose

The Directors may, if they think fit, but subject to the provisions of the Statutes, at the Company's expense send forms of proxy for use at the meeting and issue invitations contained in electronic communications to appoint a proxy in relation to the meeting in such form as may be approved by the Directors The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned A member may appoint more than one proxy to attend on the same occasion

81 (C) A proxy may also be appointed in accordance with Article 162(ii)

81 (D) The Directors may, but shall not be bound to, require evidence of the authority of any person executing a proxy appointment on behalf of the appointor. If the Directors do not require such evidence, when they otherwise determine, Article 82 (B) shall not apply and the first sentence of Article 82 (C) shall be read accordingly

Delivery of form of proxy

82.(A) Without prejudice to Article 58 (E)(b) or to the second sentence of Article 67, the appointment of a proxy shall

(a) in the case of an instrument, be delivered personally or by post to the office or such other place within the United Kingdom as may be specified by or on behalf of the Company for that purpose

(i) in the notice convening the meeting, or

(ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting,

not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed time for holding the meeting pursuant to Article 58 (E)) at which the person named in the appointment proposes to vote, or

(b) in the case of an appointment contained in an electronic communication, where an address has been specified by or on behalf of the Company for the purpose of receiving electronic communications.

(i) in the notice convening the meeting, or

(ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting, or

(iii) in any invitation contained in an electronic communication to appoint a proxy issued by or on behalf of the Company in relation to the meeting,

be received at that address not less than 48 hours before the time for holding the meeting or adjourned meeting (or any postponed time for holding the meeting pursuant to Article 58 (E)) at which the person named in the appointment proposes to vote, or

(c) in either case, where a poll is taken more than 48 hours after it is demanded, be delivered or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, or

(d) in the case only of an instrument, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary

82 (B) Any power of attorney or other authority contained in an instrument under which a proxy appointment is executed shall be contained in an instrument and the same or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such instrument shall be

(a) delivered personally or by post to the office, or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 82 (A), not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed

time for holding the meeting pursuant to Article 58 (E)) at which the person named in the appointment proposes to vote, or

(b) where a poll is taken more than 48 hours after it is demanded, be delivered as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(c) in the case only of a proxy appointment by means of an instrument, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary together with the proxy appointment to which it relates

82 (C) A proxy appointment which is not delivered or received in accordance with Article 82 (A) or in respect of which Article 82 (B) has not been complied with, shall be invalid No proxy appointment shall be valid after the expiration of twelve months from the date stated in it as the date of its execution, except a power of attorney containing a power to act and vote for a member at meetings of the Company, and such a power, if once duly intimated to the Company, shall not require to be again deposited at the transfer office of the Company When two or more valid proxy appointments are delivered or received in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the other as regards that share, if the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share

82 (D) A proxy appointment relating to more than one meeting (including any adjournment thereof) having once been sent for the purposes of any meeting shall not require again to be sent in relation to any subsequent meetings to which it relates

Issue of forms of proxy

83. Subject to the provisions of the Statutes, the Directors may, if they think fit, at the expense of the Company, issue forms of proxy for use by the members with or without prepaid postage and with or without inserting therein the names of any of the Directors or any other person as proxies

Validity of forms of proxy

84 A proxy appointment shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting, and shall also be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit The proxy appointment shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates

Revocation of proxy etc.

85 A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous revocation of the authority of the person voting or demanding the poll unless notice of the revocation was either delivered or received as mentioned in the following sentence at least forty eight hours before the start of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll Such notice of revocation shall be either by means of an instrument delivered to the office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 82 (A)(a) or contained in an electronic communication received at the address (if any) specified by or on behalf of the Company in accordance with Article 82 (A)(b), regardless of whether any relevant proxy appointment was effected by means of an instrument or contained in an electronic communication For the purpose of this Article, an electronic communication which contains such notice of revocation need not comprise writing if the Directors have determined that the electronic communication which contains the relevant proxy appointment need not comprise writing

INCORPORATED MEMBERS ACTING BY REPRESENTATIVES

Authority of representatives

86 Any corporation which is a member of the Company (in this Article, the ***grantor***) may (by resolution of its directors or other governing body or by authority to be given under the hand of any officer duly authorised by it) authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any separate meeting of the holders of any class of shares A person so authorised shall be entitled to exercise the same power on behalf of the grantor of the authority (in respect of that part of the grantor's holding to which his authorisation relates, in the case of an authorisation of more than one person) as the grantor could exercise if it were an individual member of the Company, and the grantor shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it For the purpose of this Article 86, the expression ***corporation*** shall include a company whether incorporated in the United Kingdom or overseas

DIRECTORS

Limits on number of directors

87 The number of Directors (other than alternate directors) shall not be less than four or more than sixteen The Company may, by ordinary resolution, from time to time vary the minimum and/or maximum number of Directors

Director need not be member

88 A Director shall not be required to hold a share qualification but a Director who is not a member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at all general meetings of the Company and all separate meetings of the holders of any class of shares of the Company

Non Executive Directors' fees

89 (A) Subject to the provisions of the Statutes, the Directors may enter into, vary and terminate an agreement or arrangement with any Director who does not hold executive office for the provision of his services to the Company. Subject to Article 89(B), any such agreement or arrangement may be made on such terms as the Directors may determine

89.(B) The fees paid to the Directors who do not hold executive office for their services in the office of director shall not exceed in aggregate £350,000 per annum or such higher amount as the Company may from to time by ordinary resolution determine Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Directors Any fee payable pursuant to this Article 89(B) shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to other provisions of these Articles or any contract or arrangement between the Company and the relevant Director

Directors' expenses

90 The Directors may repay to any Director all such proper and reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee or general meetings or otherwise in or about the business of the Company

Directors' remuneration

91 Any Director who is appointed to any executive office (including for this purpose the office of chairman or deputy chairman or vice chairman whether or not such office is held in an executive capacity) or who serves on any committee or who acts as trustee of a retirement benefits scheme or employees' share scheme or who otherwise performs services which, in the opinion of the Board or any committee thereof, are outside the scope of the ordinary duties of a Director or who makes any special exertions in going or residing abroad or otherwise in or about the business of the Company, may be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine

Retirement and other benefits

92 (A) Without prejudice to the general power of the Directors under these Articles to exercise on behalf of the Company (by establishment or maintenance of schemes or otherwise) all the powers of the Company to give, or procure the giving of, retirement,

death or disability benefits, annuities or other allowances, emoluments or benefits to, or for the benefit of, any person, and without restricting the generality of their other powers, the Directors shall have power to pay, and agree to pay, retirement, death or disability benefits, annuities or other allowances, emoluments or benefits to any Director, ex Director, officer or ex officer of the Company or of its predecessors in business or of any other undertaking which is (a) the parent undertaking of the Company or (b) a subsidiary undertaking of the Company or of such parent undertaking or (c) otherwise allied to or associated with the Company or any such parent undertaking or subsidiary undertaking or in which the Company or such parent undertaking or subsidiary undertaking has any interest whether directly or indirectly and to the husbands, wives, widowers, widows, children, families, dependants and personal representatives of any such Director, ex Director, officer or ex officer, and, for the purpose of providing any such benefits, annuities, allowances or emoluments, to establish or contribute to any trust, scheme, association, arrangement or fund or to pay premiums, and shall have power to establish trusts, schemes, associations, arrangements or funds considered to be for the benefit of any such persons aforesaid A Director, ex Director, officer or ex officer shall not be accountable to the Company or the members for any such benefit, annuities, allowances or emoluments, and the receipt of the same shall not disqualify any person from being or becoming a Director of the Company

Insurance

92 (B) Without prejudice to the provisions of Article 159, the Directors shall have power to purchase and maintain insurance for, or for the benefit of, any persons who are or were at any time Directors, officers or employees of the Company, or of any other undertaking which is (a) the parent undertaking of the Company or (b) a subsidiary undertaking of the Company or of such parent undertaking or (c) otherwise allied to or associated with the Company or any such parent undertaking or subsidiary undertaking or in which the Company or such parent undertaking or subsidiary undertaking has any interest whether directly or indirectly or who are or were at any time trustees of any retirement benefits scheme or employees' share scheme in which employees of the Company or of any such other undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other undertaking, retirement benefits scheme or employees' share scheme

Directors' interests in contracts with the Company

93 (A) Subject to the provisions of the Statutes and to Article 109, a Director or alternate Director may be a party to, or in any way interested in, any contract or arrangement or transaction to which the Company is a party, or in which the Company is in any way interested, and he may hold and (in addition to any other remuneration provided for by, or pursuant to, any other Article) be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or of any

subsidiary undertaking of the Company) under the Company or any other undertaking in which the Company is in any way interested, and he (or any firm of which he is a member) may act in a professional capacity for the Company, or any such other undertaking, and be remunerated therefor, and in any such case as aforesaid (unless otherwise agreed), the Director may retain, for his own absolute use and benefit, all profits and advantages accruing to him thereunder or in consequence thereof.

Appointments with other undertakings

93 (B) Subject to any agreement to the contrary between the Company and the Director, a Director of the Company may be or become a director or other officer of, or otherwise interested in, any undertaking promoted by the Company or in which the Company may be interested, and (unless otherwise agreed) shall not be accountable to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of, or from his interest in, such other undertaking The Directors may also cause the voting power conferred by the shares in any other undertaking held or owned by the Company or interest or right in such undertaking to be exercised in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution or decision appointing themselves or any of them to be directors, officers or servants of, or to any other position in, such other undertaking, or voting or providing for the payment of remuneration to the directors, officers or servants of, or any holders of any other position in, such other undertaking.

Executive office

94 (A) The Directors may from time to time appoint one or more of their number to be the holder of any executive office or make any appointment by them of a Director conditional upon his accepting any executive office (including, where considered appropriate, the office of chairman, deputy chairman or vice chairman, managing, joint managing, deputy or assistant managing director or chief, deputy chief or assistant chief executive) and may enter into an agreement or arrangement with any such Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director Any such appointment, agreement or arrangement may be made on such terms, and for such period, as they may (subject to and in accordance with the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment

When termination of appointment automatic

94 (B) The appointment of any Director to any of the executive offices specifically mentioned in Article 94 (A) above shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company

When termination of appointment not automatic

94 (C) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the

contract or resolution under which he holds or is removed from office shall expressly state otherwise, in which event the termination of his office if he ceases to be a Director shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company

Delegation of powers

95 The Directors may entrust to, and confer upon, any Director any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with, or to the exclusion of, their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers

APPOINTMENT AND RETIREMENT OF DIRECTORS

Age limit

96 Any provisions of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate the office of Director on account of his having reached the age of seventy or any other age or of requiring special notice or any of the special formalities in connection with the appointment of any Director over a specified age shall not apply to the Company, provided that, in the case of the appointment of a Director who has attained the age of seventy, his age shall be stated in the notice convening the general meeting (or in any document accompanying the same) at which he is proposed to be elected or re elected

Disqualification of a director

97 The office of Director shall be vacated in any of the following events, namely

(a) if, pursuant to any provisions of the Statutes, he is removed or prohibited from being a director,

(b) if he becomes bankrupt, insolvent, apparently insolvent or makes any arrangement or composition with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act, or

(c) if he is, or may be, suffering from mental disorder and/or either

(i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or

(ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his

detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or

(d) if he resigns his office by notice to the Company or, having been appointed for a fixed term, the term expires or his office as a director is vacated pursuant to Article 104, or

(e) if he shall be absent from meetings of the Directors for six consecutive months without leave and his alternate Director (if any) shall not, during such period, have attended in his stead and the Directors shall resolve that his office be vacated, or

(f) if he shall be removed from office by notice in writing sent to him signed by all his co Directors, but so that in the case of a Director holding an executive office which automatically determines on his ceasing to be a Director such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent termination of his executive office

Number of directors to retire

98 At the annual general meeting in every year one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office, but

(a) if any director has at the start of the annual general meeting been in office for more than three years since his last appointment or re appointment, he shall retire, and

(b) if there is only one director who is subject to retirement by rotation, he shall retire

Which directors to retire

99 Subject to the provisions of the Statutes and these Articles, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re election Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re election or appointment and so that, as between persons who became or were last re elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board of Directors of the Company at the date of the notice convening the annual general meeting and no Director shall be required to retire,, or be relieved from retiring, by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting A retiring Director shall be eligible for re election

When directors deemed to be re appointed

100 The Company at the meeting at which a Director retires under any provision of these Articles may (subject to Article 102) by ordinary resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and lost If he is not reappointed or deemed to have been reappointed, be shall retain office until the meeting appoints someone in his place or, if he does not do so, until the end of the meeting

Resolution

101 A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting, unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it and any resolution moved in contravention of this provision shall be void

Eligibility for election

102 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting unless, not less than seven nor more than twenty eight days before the day appointed for the meeting, there shall have been received at the office notice addressed to the Secretary and executed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice executed by the person to be proposed of his willingness to be elected The notice to be received from the proposing member shall state the particulars of the nominee which would, if he were appointed, be required to be included in the Company's register of directors maintained by the Company in terms of Section 288 of the 1985 Act

Additional powers of the Company

103 The Company may, in accordance with and subject to the provisions of the Statutes, by ordinary resolution of which special notice has been given, remove any Director from office notwithstanding any provision of these Articles or of any contract between the Company and such Director (but without prejudice to any claim he may have for damages for breach of any such contract) and by ordinary resolution appoint another person in place of a Director so removed from office, and any person so appointed shall be treated, for the purpose of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director In default of such appointment, the vacancy arising upon the removal of a Director from office may be filled by the Directors as a casual vacancy

Appointment by ordinary resolution or by directors

104 The Company may, by ordinary resolution, appoint any person to be a Director either to fill a casual vacancy or as an additional Director and without prejudice and in addition thereto, the Directors shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that, in either case, the total number of Directors shall not at any time exceed the maximum number (if any) fixed by, or in accordance with, these Articles Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting

ALTERNATE DIRECTORS

Power to appoint alternate directors

105.(A) Any Director (other than an alternate director) may at any time, by notice executed by the Director, appoint any person (including another Director) to be his alternate Director, and may, in like manner, at any time terminate such appointment If such alternate Director is not another Director, such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved Subject to the preceding sentence of this Article, such appointment or termination shall take effect in accordance with the terms of the notice on receipt of such notice by the Company which shall, in the case of a notice contained in an instrument, be sent to the office and addressed to the Secretary, or otherwise be delivered at a meeting of the Directors or, in the case of a notice contained in an electronic communication, be sent to such address (if any) as may for the time being be notified by or on behalf of the Company for that purpose Any of the Directors may appoint the same alternate Director For the purposes of this Article, an electronic communication which contains an appointment or termination need not comprise writing if the Directors so determine and in such a case, if the Directors so determine, the appointment or termination need not be executed but shall instead be subject to such conditions as the Directors may approve

Termination

105.(B) The appointment of an alternate Director shall automatically determine on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases to be a Director or if the approval of the Directors to his appointment is withdrawn, provided that if, at any meeting, any Director retires by rotation or otherwise but is re elected at the same meeting, any appointment made by him pursuant to this Article 105 which was in force immediately before his retirement shall remain in force as though he had not retired An alternate Director may, by sending notice to the office of the Company, resign such appointment Such notice shall be sent to the Company in the same manner as is referred to in Article 105 (A) and shall take effect upon receipt of the same by the Company

Alternate to receive notices

105.(C) An alternate Director shall (except when absent from the United Kingdom) be entitled, if his appointor so requests, to receive notices of meetings of the Directors to the same extent as the Director appointing him and shall be entitled to attend and vote as a Director and be counted for the purposes of a quorum at any such meeting at which the Director appointing him is not personally present and, generally, at such meeting to perform all functions, powers and duties of his appointor as a Director and, for the purposes of the proceedings at such meeting, the provisions of these Articles shall apply as if he were a Director If he shall himself be a Director, or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall count as only one for the purpose of determining whether a quorum is present. If his Appointor is for the time being absent from the United Kingdom, or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor To such extent as the Directors may from time to time determine in relation to any committees formed under Article 114 (A), this Article 105 (C) shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles

Alternate may be paid expenses but not remuneration

105 (D) An alternate Director may be repaid expenses, and shall be entitled to be indemnified, by the Company to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company any remuneration in respect of his services as an alternate Director, except only such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice to the Company from time to time direct

Alternate not an agent of appointor

105 (E) Except as otherwise expressly provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director Accordingly, except where the context otherwise requires, a reference to a Director shall be deemed to include a reference to an alternate Director An alternate Director shall be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him

PROCEEDINGS OF DIRECTORS

Meetings of directors

106 Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit Questions arising at any meeting shall be determined by a majority of votes In case of an equality of votes, the chairman of the meeting shall have a second or casting vote A Director may, and the Secretary on the requisition of a Director shall,

at any time summon a meeting of the Directors Notice of a meeting of the Directors shall be deemed to be properly sent to a Director if it is sent to him personally or by word of mouth or sent by instrument to him at his last known address or such other address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose or sent using electronic communications to such address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose A Director absent or intending to be absent from the United Kingdom may request the Directors that notices of meetings of Directors shall, during his absence, be sent by instrument to him at such address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose or sent using electronic communications to such address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose but, in the absence of any such request, it shall not be necessary to send notice of a meeting of Directors to any Director for the time being absent from the United Kingdom A Director may waive notice of any meeting either prospectively or retrospectively. Without prejudice to the first sentence of this Article 106, a meeting of the Directors, or of a committee of the Directors, may consist of a conference between Directors who are not all in one place, but of whom each is able, directly or by telephonic or other communication, to speak to each of the others and to be heard by each of the others simultaneously A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group, where the chairman of the meeting then is. The word ***meeting*** in these Articles shall be construed accordingly Any electronic communication pursuant to this Article 106 need not comprise writing if the Directors so determine

Authority to vote

107 A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him at that meeting, and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote Any such authority must be in writing which must be produced at the meeting at which the same is to be used and be left with the Secretary for retention For the purpose of this Article, an electronic communication which contains an authority need not comprise writing if the Directors so determine

Quorum

108 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and, unless so fixed at any other number, shall be two A meeting of the Directors, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Directors

Directors' interests

109. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract (or any transaction or arrangement whether or not constituting a contract) with the Company or any subsidiary undertaking of the Company shall declare the nature of his interest in accordance with the provisions of the Statutes For the purposes of this Article 109

(a) a general notice sent to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified, and

(b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

Directors' powers to vote

110 (A) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which (together with any interest of any person connected with him) he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

Where interest does not prevent voting

110 (B) Subject to the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely

(a) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of, or for the benefit of, the Company or any of its subsidiary undertakings,

(b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security,

(c) any proposal concerning the subscription or purchase by him of shares, debentures or other securities of the Company pursuant to an offer or invitation to members or debenture holders of the Company, or any class of them, or to the public or any section of them,

(d) a contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be interested as a participant in the underwriting or sub underwriting thereof,

(e) a contract, arrangement, transaction or proposal concerning any other body corporate in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 346 of the 1985 Act) does not hold an interest (as that term is used in Sections 198 to 211 of the 1985 Act) representing 1 per cent or more of the issued shares of any class of the equity share capital (excluding any shares of that class held as treasury shares) of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purposes of this Article 110 to be a material interest in all circumstances). For the purpose of this sub paragraph (e) there shall be disregarded any shares held by a Director as simple trustee under the law of Scotland and of a bare or custodian trustee under the laws of England and Wales and in which he has no beneficial interest and any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder,

(f) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the contract or arrangement relates, and

(g) a contract, arrangement, transaction or proposal concerning insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company or for persons who include Directors of the Company

Interests of connected persons and alternates

110 (C) For the purpose of this Article 110, an interest of a person who is, for the purpose of the 1985 Act, connected with (which words shall have the meaning given thereto by Section 346 of the 1985 Act) a Director shall be treated as an interest of the Director and, in relation to an alternate, an interest of his appointor shall be treated as an interest of the alternate without prejudice to any interest which the alternate has otherwise

Consideration of matters involving two or more directors

110.(D) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any undertaking in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (e) of Article 110 (B) or otherwise precluded from

voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution, except that concerning his own appointment

Materiality of directors' interests

110 (E) If any question shall arise at any meeting as to the materiality of a Director's interest, or as to the entitlement of any Director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (or, if the Director concerned is the chairman, to the other Directors at the meeting) and his ruling in relation to any Director other than himself (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive, except in a case where the nature or extent of the interests of such Director (or, as the case may be, the chairman) has not been fairly disclosed

Power of directors if number falls below minimum

111 The continuing Directors may act notwithstanding any vacancies in their number, but if, and so long as, the number of Directors is reduced below the number fixed by, or in accordance with, these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning general meetings of the Company, but not for any other purpose If there are no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors

Chairman

112 The Directors may elect a chairman (or make any appointment by them of a Director conditional upon his becoming the chairman) and one or more deputy chairmen and determine the period for which each is to hold office The chairman or, in his absence, one of any deputy chairmen shall preside at meetings of the Directors, but if no chairman or deputy chairman shall have been appointed, or if at any meeting none of them be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. If at any time there is more than one deputy chairman or vice chairman, the right to preside at a meeting of Directors shall in the absence of the chairman be determined as between the deputy chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors

Resolutions in writing

113 A resolution in writing, executed by all the Directors for the time being in the United Kingdom and all the alternate Directors (if any) for the time being in the United Kingdom whose appointors are for the time being absent from the United Kingdom (provided that their number is sufficient to constitute a quorum) or by all the members of a committee formed under Article 114 (A) for the time being, shall be as valid and effective as a resolution passed at a meeting of the Directors or, as the case may be, of such committee duly convened and held For this purpose:

(a) a resolution may be by means of an instrument or contained in an electronic communication sent to such address (if any) as may for the time being be notified by the Company for that purpose, and

(b) a resolution may consist of several instruments and/or several electronic communications, each executed by one or more Directors or alternate Directors or members of the committee concerned, or a combination of both

Committees of directors

114.(A) The Directors may delegate any of their powers or discretions (including, for the avoidance of doubt, any powers or discretions relating to the remuneration of Directors) to committees consisting of one or more of the Directors and (if thought fit) one or more other persons co opted as hereinafter provided Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub delegate to one or more Directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the Directors may specify, and may be revoked or altered Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations which may from time to time be imposed by the Directors Any such regulations may provide for, or authorise, the co option to the committee of persons other than Directors and for such co opted members to have voting rights as members of the committee, but so that (a) the number of co opted members shall be less than one half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors or alternates of Directors

Proceedings of committees

114 (B) The meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under Article 114 (A)

Use of designation *Director*

115 The Directors may appoint any person to any office or employment having a designation or title including the word ***Director***, or attach to any existing office or employment with the Company such a designation or title, and may terminate any such appointment or the use of any such designation or title Unless the appointment of the holder has been recorded in the register of directors maintained by the Company in terms of Section 288 of the 1985 Act, the inclusion of the word ***Director*** in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles

Validity of proceedings

116 All acts done by any meeting of Directors or of any such committee or by any person acting as a Director shall, as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Directors (or their alternates), or member of the committee, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director (or alternate Director) or member of the committee and had been entitled to vote

GENERAL POWERS OF DIRECTORS

Business to be managed by the directors

117 (A) The business and affairs of the Company shall be managed by the Directors who, subject to and in accordance with the provisions of the Statutes, the Memorandum of Association of the Company (the ***Memorandum***) and these Articles and to any directions given by special resolution, may exercise all the powers of the Company No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given The general powers given by this Article 117 shall not be limited, or restricted, by any special authority or power given to the Directors by these Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors

Exercise by Company of Voting Rights

117 (B) The Directors may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as they think fit (including without limitation the exercise of that power in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate)

Local boards

118.(A) The Directors may make such arrangements as they think fit for the management and transaction of the Company's affairs in any specified locality, whether in the United Kingdom or elsewhere, and, without prejudice to the generality of the foregoing, may at any time, and from time to time, (a) establish any regional, divisional or local boards, committees or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, (b) appoint any one or more of the Directors, or any other person or persons, to be members of such regional, divisional or local boards or committees, or any managers or agents, and may fix their remuneration, (c) delegate to any regional, divisional or local board or committee, manager or agent any of the powers, authorities and discretions vested in the Directors with power to sub delegate, (d) authorise the members of any regional, divisional or local boards or committees or any of them, to fill any vacancies therein, and to act

notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and (e) remove any person so appointed, may fix the quorum of the said regional, divisional or local boards or committees, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby

Agents

118 (B) The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the Directors determine, including without limitation authority for the agent to delegate all or any of his powers, authorities and discretions, and may revoke or vary such delegation.

Powers of attorney

119 The Directors may, from time to time and at any time, by power of attorney or otherwise, appoint any person or undertaking, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period, and subject to such conditions, as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub delegate all or any of the powers, authorities and discretions vested in him The Directors may delegate all or any of their powers under this Article 119

Official seal for use abroad

120 The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors

Overseas and local registers

121 Subject to and to the extent permitted by the Statutes and the Regulations, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory outside the United Kingdom a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit in respect of the keeping of any such register.

Execution by the Company

122 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such

manner as the Directors or any duly authorised committee of the Directors shall from time to time determine

BORROWING POWERS

General power to borrow

123.(A) Subject as hereinafter provided, the Directors may exercise all the powers of the Company to borrow money and to pledge or grant any security over all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to and in accordance with the Statutes, to issue debentures, debenture stock and other securities whether terminable, redeemable or perpetual and whether outright or as collateral security for any guarantee, debt, liability or obligation of the Company or of any third party

Definitions for and interpretation of Article 123

123 (B) For the purposes of this Article 123

Adjusted Capital and Reserves shall be interpreted in accordance with Article 123 (D),

equity share capital has the same meaning as in Section 744 of the 1985 Act;

Excepted Foreign Currency Borrowings means moneys borrowed denominated or repayable in a currency other than sterling which have the benefit of an exchange cover scheme,

exchange cover scheme means HM Treasury exchange cover scheme, forward currency contract, currency option, back to back loan, swap or other arrangement taken out or entered into to reduce the risks associated with fluctuations in the exchange rates,

finance lease means a contract between a lessor and a member of the Group as lessee or sub lessee where substantially all the risks and rewards of the ownership of the asset leased or sub leased are to be borne by the lessee or sub lessee,

Group means the Company and its subsidiary undertakings for the time being;

hire purchase agreement means a contract of hire between a hire purchase lender and a member of the Group as hirer;

Investments means at any time the aggregate of

(a) cash at bank and in hand,

(b) deposits (including for the avoidance of doubt, certificates of deposit) for a term not exceeding six months and money at call; and

(c) securities issued by the Government of the United Kingdom which are traded on a recognised investment exchange

Latest Accounts means in the case where

(a) the Company has no subsidiary undertakings, the latest published audited balance sheet of the Company; or

(b) the Company has subsidiary undertakings but there is no audited consolidated balance sheet of the Group, the respective latest published audited balance sheets of the undertakings comprising the Group,

(c) the Company has subsidiary undertakings some only of whose audited balance sheets are consolidated in the latest published audited balance sheet of the Group, the latest published consolidated audited balance sheet of the Group together with the latest published audited balance sheets of those subsidiary undertakings whose audited balance sheets are not included in the consolidated audited balance sheet of the Group; and

(d) the Company has subsidiary undertakings all of whose audited balance sheets are consolidated in the latest published audited consolidated balance sheet of the Group, the latest published consolidated audited balance sheet of the Group

and in this Article 123 references to balance sheets shall be construed as balance sheets prepared for the purposes of the Statutes in accordance with the historical cost convention or that convention with modifications provided that if balance sheets prepared for the purposes of the Statutes have not been prepared in accordance with the historical cost convention but have been prepared in accordance with the current cost convention references to balance sheets are to be taken as references to balance sheets prepared for the purpose of the Statutes in accordance with the current cost convention but adjusted as the Auditors, after consultation with the Directors, consider appropriate to enable the aggregate amount referred to in Article 123 (C) below to be calculated as though derived from a balance sheet prepared in accordance with the historical cost convention or that convention as applied with such modifications as may be appropriate in the circumstances and references to the Latest Accounts shall be construed accordingly;

moneys borrowed shall be interpreted in accordance with Article 123 (E);

outside interests means the proportion of the nominal amount of the issued equity share capital of a partly owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company, and

subsidiary undertaking shall be construed as a subsidiary undertaking of the Company

Maximum limit on borrowings

123 (C) The Directors shall restrict the moneys borrowed by the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate principal amount (including any fixed or minimum premium payable on final repayment) at any one time outstanding in respect of all moneys borrowed (whether secured or not) by the Group (exclusive of moneys borrowed by any member of the Group from any other member of the Group, subject to paragraph (c) of Article 123 (E)) for the time being, subject as hereinafter provided, shall not without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the higher of (i) £10,000,000,000 and (ii) two and a half (2½) times the Adjusted Capital and Reserves,

Adjusted capital and reserves

123 (D) For the purposes of this Article 123, the expression ***Adjusted Capital and Reserves*** shall mean at the relevant time the aggregate of

(a) the amount for the time being paid up or credited as paid up on the issued share capital of the Company and such of the share capital as has been unconditionally allotted but not issued, and

(b) the total of the amounts standing to the credit of the reserves of the Group (including any share premium account, capital redemption reserve, revaluation reserve and statutory reserve and after adding any credit balance or deducting any debit balance on the profit and loss account),

all based on the Latest Accounts after

(i) making such adjustments as may be appropriate to reflect any variations since the date of the Latest Accounts in such share capital or reserves and so that for this purpose (aa) if the Company proposes to issue or has issued any shares for cash and the issue has been underwritten then the amount (including any premium) of the subscription moneys so underwritten (not being moneys payable later than six months after the date the underwriting becomes unconditional) shall be deemed to have been paid up on the date when the issue of such shares was underwritten (or if such underwriting was conditional, on the date when the underwriting becomes unconditional) and (bb) subject as aforesaid, share capital (including any premium) shall be deemed to have been paid up as soon as it has been unconditionally agreed to be subscribed or taken up by any person (provided it is to be so subscribed or taken up within six months of such agreement),

(ii) excluding any sums attributable to outside interests in any subsidiary undertaking and making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiary undertakings since the date of the Latest Accounts,

(iii) deducting any distributions declared, recommended or made by a member of the Group (other than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the Latest Accounts to the extent that any such distributions are not provided for therein,

(iv) making all such adjustments, if the calculation is required for the purposes of, or in connection with, a transaction under or in connection with which any undertaking is to become or cease to be a subsidiary undertaking, as would be appropriate if such transaction had been carried into effect, and

(v) making such other adjustments (if any) as the auditors may consider appropriate to provide for the carrying into effect of the transaction for the purposes of which the Adjusted Capital and Reserves requires to be calculated or otherwise

Moneys borrowed

123 (E) (a) For the purposes of this Article 123, ***moneys borrowed*** shall, subject to paragraph (b) of this Article 123 (E), be deemed to include the following, except in so far as otherwise taken into account

(i) the principal amount for the time being outstanding and owing by a member of the Group in respect of any debenture (other than the debenture dated 30th April, 1991 issued in favour of the Secretary of State pursuant to a direction made under Section 71 of the Electricity Act 1989) whether issued for cash or otherwise,

(ii) the principal amount raised by a member of the Group by acceptances under any acceptance credit opened on its behalf and in its favour by any bank or accepting house (not being acceptances in respect of the purchase or sale of goods or the provision of services in the ordinary course of business which are outstanding for six months or less),

(iii) the nominal amount of any share capital and the principal amount of any borrowings of any person (together in each case with any fixed or minimum premium payable on final repayment) the redemption or repayment of which is guaranteed or wholly or (to the extent the same is partly secured) partly secured by a member of the Group (but excluding any such share capital which is for the time being beneficially owned by, and (as determined in accordance with paragraph (c) of this Article 123 (E)) any such borrowings which are for the time being owed to, a member of the Group),

(iv) the nominal amount of any share capital (not being equity share capital) of any subsidiary undertaking owned otherwise than by the Company or another subsidiary undertaking,

(v) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account; and

(vi) any amount in respect of a hire purchase agreement or of a finance lease payable in either case by a member of the Group which would be shown as being so payable in a balance sheet prepared in accordance with the accounting principles used in the preparation of the Latest Accounts

(b) For the purposes of this Article 123 moneys borrowed shall be deemed not to include the following

(i) borrowings incurred by a member of the Group for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other member of the Group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department or agency fulfilling a similar function, up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured,

(ii) borrowings by a member of the Group before, and outstanding after, it becomes a subsidiary undertaking of the Company and amounts secured on an asset before, and remaining so secured after, it is acquired by a member of the Group until six months after the undertaking becomes a subsidiary undertaking or the asset is acquired, as the case may be,

(iii) any guarantee or indemnity given by any member of the group in respect of any amount or obligation deemed not to be moneys borrowed under any of the provisions of this Article 123, and

(iv) borrowings incurred by a member of the Group for the purpose of complying with any direction issued by the Secretary of State under Section 34 or Section 96 of the Electricity Act 1989,

(c) For the purposes of this Article 123·

(i) moneys borrowed by a partly owned subsidiary undertaking and not owing to another member of the Group shall (notwithstanding paragraph (a) of this Article 123 (E)) be taken into account subject to the exclusion of a proportion of such moneys borrowed attributable to outside interests,

(ii) moneys borrowed and owing to a partly owned subsidiary undertaking by another member of the Group shall, subject to paragraph (a) of this Article 123 (E) and sub paragraph (iii) below, be taken into account to the extent of the proportion of such

moneys borrowed attributable to the outside interests in such partly owned subsidiary undertaking, and

(iii) in the case of moneys borrowed and owing to a partly owned subsidiary undertaking by another partly owned subsidiary undertaking, the proportion which would otherwise be taken into account under sub paragraph (ii) above shall be reduced by excluding such part of such moneys borrowed as is attributable to the outside interests in the borrowing subsidiary undertaking,

(d) There shall be offset against the amount of moneys borrowed, any amounts beneficially owned by a member of the Group which represent the value of Investments which would be shown as current assets in a balance sheet prepared in accordance with the accounting principles used in the preparation of the Latest Accounts, subject, in the case of Investments which are beneficially owned by a partly owned subsidiary undertaking, to the exclusion of a proportion thereof attributable to outside interests

(e) For the avoidance of doubt, no amount shall be taken into account more than once in any calculation of moneys borrowed, and

(f) When the aggregate principal amount of borrowings required to be taken into account on any particular date is being ascertained, any particular borrowing which is then outstanding and which is denominated or repayable in a currency other than sterling shall

(i) with the exception of Excepted Foreign Currency Borrowings, be translated into sterling at the rate of exchange prevailing in London at the close of business on the last business day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London at the close of business on the last business day six months before that time and so that, for these purposes, the rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank selected by the Directors as being the most appropriate rate for the purchase by the Company of the currency and amount in question for sterling at the time in question; and

(ii) in the case of any Excepted Foreign Currency Borrowings, at the rate of exchange which would be applicable to such moneys borrowed on their repayment to the extent that such rate of exchange is fixed under any exchange cover scheme in connection with such moneys borrowed, provided that, where it is not possible to determine the, rate of exchange applicable at the time of repayment of such moneys borrowed, they shall be translated into sterling under the terms of the applicable exchange cover scheme on such basis as may be agreed with, or determined by, the

auditors or, if it is agreed with the auditors not to be practicable, in accordance with the provisions of sub paragraph (f)(i) above

Fluctuating rates of exchange

123 (F) The Company shall not be in breach of the borrowing limit under this Article 123 by reason of the limit being exceeded as a result only of any fluctuation in rates of exchange provided that within six months of the Directors becoming aware of any such fluctuation or change which would but for this provision have caused such a breach, the aggregate principal amount as aforesaid is reduced to an amount not exceeding the said limit

Changes in legislation

123.(G) If, as a result of any change in legislation relating to or affecting taxation matters, any amount payable by a member of the Group in respect of any finance lease shall increase and, if in consequence the borrowing limit under this Article 123 is exceeded, an amount of moneys borrowed equal to the excess may be disregarded until the expiration of six months after the date on which the Directors become aware that such a situation has arisen.

Validity of borrowing arrangements

123 (H) No person dealing with the Company or any of its subsidiary undertakings shall, by reason of the foregoing provisions, be concerned to see or inquire whether the said limits are observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded A certificate signed by two Directors that the amount of any moneys borrowed is within the said limits shall for the purposes of this Article 123.(H) be conclusive evidence in any question between any such person and the Company

Certification by auditors

123 (I) A certificate or report by the auditors as to the amount of Adjusted Capital and Reserves or as to the amount of moneys borrowed or to the effect that the limit imposed by this Article 123 has or has not been or will or will not be exceeded at any particular time or times shall be conclusive evidence of the amount or of that fact

SECRETARY

124. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may, at any time, be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company If thought fit, two or more persons may be appointed as joint secretaries. The Directors may also appoint, from time to time, on such terms as they may think fit, one or more deputy secretaries and assistant secretaries Anything by the Statutes or by these Articles

required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any deputy or assistant secretary, or if there is no deputy or assistant secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors

SEALS

125 (A) The Directors shall provide for the safe custody of the seal and any securities seal and neither shall be used without the authority of the Directors or a committee authorised by the Directors on their behalf

125 (B) Every deed, contract, document, instrument or other writing to which the seal shall be affixed shall (except as permitted by Article 19 (A)) be subscribed on behalf of the Company by two of the Directors of the Company, or by a Director and the Secretary of the Company, or by two persons authorised to subscribe such deed, contract, document, instrument or other writing on its behalf

125 (C) Any instrument may be executed under the seal by impressing the seal by mechanical means or by printing the seal or a facsimile of it on the instrument or by applying the seal or a facsimile of it by any other means to the instrument An instrument executed, with the authority of a resolution of the Directors, by a Director and the secretary or by two Directors and expressed (in whatever form of words) to be executed by the Company has the same effect as if executed under the seal For the purpose of the preceding sentence only, ***secretary*** shall have the same meaning as in the 1985 Act

125 (D) The securities seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued Any such securities or documents sealed with the securities seal shall not require to be signed

AUTHENTICATION OF DOCUMENTS

126 Any Director or the Secretary or any person appointed by the Directors or by a duly authorised committee for the purpose shall have power to authenticate and certify as true copies of and extracts from

(a) any document comprising or affecting the constitution of the Company whether in an instrument or electronic form,

(b) any resolution passed by the Company, the holders of any class of shares in the capital of the Company or the Directors or any committee whether in physical form or electronic form, and

(c) any book, record, document and accounts relating to the business of the Company, whether in physical form or electronic form

Where any books, records, documents or accounts are elsewhere than at the office the officer, servant or agent of the Company having the custody thereof shall be deemed

to be a person appointed by the Directors as aforesaid A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Directors or any committee, which is certified as aforesaid and whether in physical form or electronic form shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting

MINUTES AND BOOKS

Keeping of minutes and books

127 The Directors shall cause minutes to be made in books to be provided for the purpose:

(a) of all appointments of officers made by the Directors,

(b) of the names of the Directors or their alternates and any other persons present at each meeting of Directors and of any committee formed under Article 114 (A), and

(c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees formed under Article 114 (A)

Any such minutes shall be conclusive evidence of any such proceedings if they purport to be executed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

Safeguarding of minutes and books

128 Any register, index, minute book, book of account or other book required by these Articles or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery of falsification

DIVIDENDS

Declaration of dividends by the Company

129 The Company may, by ordinary resolution, declare dividends in accordance with the respective rights of the members, but no dividend shall be payable except out of the profits of the Company available for distribution under the provisions of the Statutes and these Articles or in excess of the amount recommended by the Directors Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and

paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid For the purposes of this Article 129, no amount paid on a share in advance of calls shall be treated as paid on the share

Declaration of dividends by the Directors

130. Subject to the provisions of the Statutes, the Directors may pay dividends (whether final or otherwise) if it appears to them that they are justified by the profits of the Company available for distribution If the share capital is divided into different classes, the Directors may pay dividends on shares which confer deferred or non preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no dividend shall be paid on shares carrying deferred or non preferred rights if, at the time of payment, any preferential dividend is in arrears The Directors may also pay, at intervals settled by them, any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment If the Directors act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of a dividend on any shares having deferred or non preferred rights

Currency of payment

131 (A) The Directors may at their discretion make provisions to enable an ADR Depositary to receive dividends duly payable in a currency or currencies other than Sterling

131 (B) For the purpose of the calculation of the amount payable in respect of any dividend, the rate of exchange to be used to determine the relevant currency equivalent of any sum payable as a dividend shall be such market rate (whether spot or forward) selected by the Directors as they shall consider appropriate subject to such adjustments as the directors may determine ruling in London on the date which is the business day last preceding (a) in the case of a dividend to be declared by the Company in general meeting, the date on which the Directors publicly announce their intention to recommend that specific dividend and (b) in the case of any other dividend, the date on which the Directors publicly announce their intention to pay that specific dividend, provided that where the Directors consider the circumstances to be appropriate they shall determine such relevant currency equivalent of any sums payable as a dividend by reference to such market rate or rates or the mean of such market rates prevailing at such time or times or on such other date or dates, in each case falling before the time of the relevant announcement, as the Directors may in their discretion select The decision of the directors regarding the exchange rate shall be conclusive and binding

Interest not payable

132 No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company, unless otherwise provided by the rights attached to the share

Permitted deductions

133 The Directors may deduct from any dividend or other moneys payable to any member, whether alone or jointly with any other member, on or in respect of a share all sums of money (if any) presently payable by him, whether alone or jointly with any other member, to the Company on account of calls or otherwise in relation to shares of the Company

Retention of dividends

134. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or other obligations in respect of which the lien exists

Waiver of dividends

135 The waiver, in whole or in part, of any dividend on any share by any document shall be effective only if such document is executed by the holder (or the person entitled to the share in consequence of a transmission event) and delivered to the Company and if, or to the extent that, the same is accepted as such or acted upon by the Company.

Unclaimed dividends

136 Without prejudice to the operation of Article 137, all dividends or other moneys payable on, or in respect of, a share unclaimed after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed The payment by the Directors of any unclaimed dividend or other moneys payable on, or in respect of, a share into a separate account shall not constitute the Company a trustee in respect thereof The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if those instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the member's new address The entitlement conferred on the Company by this Article in respect of any member shall cease if the member claims a dividend or cashes a dividend warrant or cheque

Forfeiture of unclaimed dividends

137 Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and shall revert to the Company

Dividends in specie

138. The Company may either (i) upon the recommendation of the Directors, by ordinary resolution, or (ii) by resolution of the Directors in respect of a dividend to be paid pursuant to Article 130, direct that payment of a dividend (whether final or

otherwise), in whole or in part, be made by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors may give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may (a) settle the same as they think expedient and, in particular, may issue fractional certificates or may authorise any person to sell and transfer any fractions and distribute or retain the proceeds or disregard fractions altogether, (b) fix the value for distribution of such specific assets or any part thereof, (c) determine that cash payments shall be made to any members on the basis of the value so fixed in order to adjust the rights of those entitled to participate in the dividend, and (d) vest any such specific assets in trustees as may seem expedient to the Directors

Procedure for payment

139 (A) Any dividend or other moneys payable in respect of a share may be paid

(a) by cheque or warrant made payable to or to the order of the holder or person entitled to payment, or

(b) by any direct debit, bank or other funds transfer system to the holder or person entitled to payment or, if practicable, to a person designated by notice to the Company by the holder or person entitled to payment, or

(c) by any other method approved by the Directors and agreed (in such form as the Company thinks appropriate) by the holder or person entitled to payment including (without limitation) in respect of an uncertificated share by means of the relevant system (subject to the facilities and requirements of the relevant system)

Payment by post

139 (B) A cheque or warrant may be sent by post

(a) where a share is held by a sole holder, to the registered address of the holder of the share, or

(b) if two or more persons are the holders, to the registered address of the person who is first named in the register, or

(c) if a person is entitled by transmission to the share, as if it were a notice to be given under Article 150, or

(d) in any case, to such person and to such address as the person entitled to payment may direct by notice to the Company

Discharge to Company and risk

139 (C) Payment of a cheque or warrant by the bank on which it was drawn or the transfer of funds by the bank instructed to make the transfer or, in respect of an uncertificated share, the making of payment in accordance with the facilities and requirements of the relevant system (which, if the relevant system is CREST, may include the sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder of joint holders may in writing direct) shall be a good discharge to the Company Every cheque or warrant sent or transfer of funds made by the relevant bank or system in accordance with these Articles shall be at risk of the holder or person entitled The Company shall have no responsibility for any sums lost or delayed in the course of payment by any method used by the Company in accordance with Article 139.(A)

Receipts where joint holders

140 If two or more persons are registered as joint holders of any share or are entitled jointly to a share in consequence of a transmission event, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share

Scrip dividends

141 Subject to approval by the Company at any annual general meeting, the Directors may, in respect of any dividend declared or proposed to be declared or payable within a specified period expiring no later than the conclusion of the fifth annual general meeting following the date of such approval (and provided that an adequate number of unissued shares is available for the purpose), determine and announce that shareholders will be entitled to elect to receive in lieu of such dividend (or part thereof, as the directors shall determine) an allotment of additional shares credited as fully paid Any such announcement shall, where practicable, be made prior to or contemporaneously with the announcement of the dividend in question and any related information as to the Company's profits for such financial period or part thereof In any such case the following provisions shall apply·

(a) the basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient, the value calculated by reference to the average quotation of the additional shares (including any fractional entitlement) to be allotted in lieu of any amount of dividend shall equal such amount For such purpose the ***average quotation*** of a share shall be the average of the middle market quotations of the shares on the London Stock Exchange, as derived from the Daily Official List of the London Stock Exchange, on each of the first five consecutive business days on which such shares are quoted ex the relevant dividend A certificate or report by the auditors as to the amount of the average quotation in respect of any dividend shall be conclusive evidence of that amount,

(b) the Directors shall, after determining the basis of allotment, send notice to the members of the right of election accorded to them and shall send with or following such notice forms of election specifying the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective,

(c) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (the ***elected shares***), and in lieu thereof additional shares shall be allotted to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or profit and loss account as the Directors may determine, a sum equal to the aggregate nominal amount of additional shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the elected shares on such basis,

(d) the additional shares so allotted shall rank *pari passu* in all respects with the fully paid shares then in issue, save only as regards participation in the relevant dividend (or share election in lieu),

(e) the Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or the benefit of fractional entitlements accrues to the Company rather than to the members concerned) The Directors may authorise any person to enter into, on behalf of all the members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned,

(f) notwithstanding the foregoing, the Directors may at any time prior to payment of the relevant dividend determine, if it appears to them desirable to do so because of a change in circumstances, that the dividend shall be payable wholly in cash after all and if they so determine then all elections made shall be disregarded The dividend shall be payable wholly in cash if the ordinary share capital of the Company ceases to be listed on the Official List of the London Stock Exchange at any time prior to the due date of issue of the additional shares or if the listing is suspended and not reinstated by the date immediately preceding the due date of such issue, and

(g) the Directors may on occasion determine that rights of election shall not be made available to any members with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of rights of election would or might be unlawful and

in such event the provisions aforesaid shall be read and construed subject to such determination

CAPITALISATION OF PROFITS AND RESERVES

Capitalisation of profits and reserves

142 (A) The Directors may, with the authority of an ordinary resolution of the Company

(a) subject as hereinafter provided, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund including the Company's share premium account and capital redemption reserve,

(b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article 142 (A), only be applied in paying up unissued shares to be allotted to members credited as fully paid,

(c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividend only to the extent that the latter shares rank for dividend,

(d) make such provision by authorising the sale and transfer to any person of shares or debentures representing fractions to which any members would become entitled or by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions,

(e) authorise any person to enter, on behalf of all the members concerned, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members,

(f) generally do all acts and things required to give effect to such resolution as aforesaid, and

(g) for the purposes of this Article, unless the relevant resolution provides otherwise, if the Company holds treasury shares of the relevant class at the record date specified in the relevant resolution, it shall be treated as if it were entitled to receive the dividends and to participate in the capitalisation in respect of those treasury shares as if those treasury shares had been held by a person other than the Company

Avoidance of discounts on exercise of employees' share options

142 (B)(a) Where, pursuant to an employees' share scheme, the Company has granted options to subscribe for shares on terms which provide *inter alia* for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to and in accordance with the provisions of the Statutes, the Directors may, on the exercise of any of the options concerned and payment of the subscription which would have applied had such adjustment been made, capitalise any such profits or other sum as is mentioned in Article 142 (A) to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly

(b) The provisions of paragraphs (c) to (f) of Article 142 (A) above shall apply *mutatis mutandis* to this Article 142 (B) (but as if the authority of an ordinary resolution of the Company were not required)

ACCOUNTS

Right to inspect accounts

143 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the office or, subject to and in accordance with the Statutes, at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors

Preparation and laying of accounts

144 The Directors shall, from time to time, in compliance with the provisions of the Statutes, cause to be prepared and to be laid before a general meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be required by the Statutes.

Accounts to be sent to members

145 Subject to the Statutes, a copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be attached or annexed thereto) and of the Directors' and auditors' reports or, where permitted by the Statutes, a summary financial statement in the form specified by the Statutes or any regulations made thereunder shall, not less than twenty one days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles, provided that this Article 145 shall not require a copy of these documents to be sent to more than one of joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Company is not aware Whenever a listing or quotation on any stock exchange for all or any of the shares or debentures or other securities of the Company shall for the time being be in force, there shall be forwarded to the appropriate officer of such stock exchange such number of copies of such documents as may for the time being be required under its regulations or practice

AUDITORS

Validity of acts of auditors

146 Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified

Rights of auditors

147 The auditors shall be entitled to attend any general meeting and to receive all notices of, and other communications relating to, any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors

NOTICES

Notice in writing

148 (A) Save as otherwise provided in these Articles, any notice to be sent to or by any person pursuant to these Articles shall be in writing, except that a notice calling a meeting of the Directors need not be in writing Any such notice may be sent using electronic communications to such address (if any) as may for the time being be notified for that purpose to the person giving the notice by or on behalf of the person to whom the notice is sent

Method of giving notice to members

148 (B) The Company may send any notice or other document pursuant to these Articles to a member by whichever of the following methods it may in its absolute discretion determine

(a) personally, or

(b) by posting the notice or other document in a prepaid envelope addressed to the member at his registered address, or

(c) by leaving the notice or other document at that address, or

(d) by sending the notice or other document using electronic communications to such address (if any) as may for the time being be notified to the Company by or on behalf of the member for that purpose.

148 (C) Subject to the Statutes, the Company may also send any notice or other document pursuant to these Articles to a member by publishing that notice or other document on a website where.

(a) the Company and the member have agreed to him having access to the notice or document on a website (instead of it being sent to him),

(b) the notice or document is one to which that agreement applies,

(c) the member is notified, in a manner for the time being agreed between him and the Company for the purpose, of:

  (i) the publication of the notice or document on a website;

  (ii) the address of that website, and

  (iii) the place on that website where the notice or document may be accessed, and how it may be accessed, and

(d) the notice or document continues to be published on that website throughout the publication period, provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid

In this Article 148 (C), ***publication period*** means

(a) in the case of a notice of an adjourned meeting of which notice is required to be given pursuant to Article 67, a period of not less than seven clear days before the date of the adjourned meeting, beginning on the day following that

on which the notification referred to in sub paragraph (c) above is sent or (if later) is deemed sent,

(b) in any other case, a period of not less than 21 days, beginning on the day following that on which the notification referred to in sub paragraph (c) above is sent or (if later) is deemed sent

148 (D) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which a notice or other document may be sent to him by instrument or an address to which a notice or other document may be sent using electronic communications shall (provided that, in the case of electronic communications, the Company so agrees) be entitled to have notices or other documents sent to him at that address but otherwise

(a) no such member shall be entitled to receive any notice or other document from the Company, and

(b) without prejudice to the generality of the foregoing, any notice of a general meeting of the Company which is in fact sent or purports to be sent to such member shall be ignored for the purpose of determining the validity of the proceedings at such general meeting

148 (E) The Directors may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic communications for the sending of notices, other documents and proxy appointments by the Company to members and by members to the Company

148 (F) In this Article (except for Article 148 (C)) and in Articles 149 to 154, references to a notice include without limitation references to any notification required by the Statutes or these Articles in relation to the publication of any notices or other documents on a website

Signature on notices

148 (G) The signature on any notice required to be sent by the Company may be typed or printed or otherwise executed

Notice to joint holders

148 (H) In respect of joint holdings, all notices or other documents shall be sent to the joint holder whose name stands first in the register of members and any notice or other document so sent shall be sufficient notice to all the joint holders in their capacity as such

When notices etc. deemed sent or delivered

149 (A) Proof that an envelope containing a notice or other document was properly addressed, prepaid and posted shall be conclusive evidence that the notice or document was sent Proof that a notice or other document contained in an electronic

communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators current at the date of adoption of these Articles, or, if the Directors so resolve, any subsequent guidance so issued, shall be conclusive evidence that the notice or document was sent A notice or other document sent by the Company to a member by post shall be deemed to be sent

(a) if sent by first class post or special delivery post from an address in the United Kingdom to another address in the United Kingdom, or by a postal service similar to first class post or special delivery post from an address in another country to another address in that other country, on the day following that on which the envelope containing it was posted,

(b) in any other case, on the second day following that on which the envelope containing it was posted

149 (B) A notice or other document sent by the Company to a member contained in an electronic communication shall be deemed sent to the member on the day following that on which the electronic communication was sent to the member.

149 (C) A notice or other document shall be deemed sent to the member in accordance with Articles 149 (A) or 149 (B) notwithstanding that the Company becomes aware that the member has failed to receive the relevant notice or other document for any reason and notwithstanding that the Company subsequently sends a copy of such notice or other document by post to the member or otherwise

Notice to persons entitled by transmission

150 A person entitled to a share in consequence of a transmission event, upon such evidence being produced as may from time to time properly be required by the Directors to show his title to the share and upon supplying an address within the United Kingdom for receiving notices, shall, save as herein otherwise expressly provided, be entitled to have sent to him at such address any notice or document to which the member but for the transmission event would be entitled, and such notice shall for all purposes be deemed sent to all persons interested (whether jointly with or as claiming through or under him) in the share. Until such address has been supplied, a notice may be sent in any manner in which it might have been sent if the transmission event had not occurred

Untraced members

151 If on three consecutive occasions notices have been sent to any member through the post at his registered address or his address for the service of notices or by using electronic communication to such address (if any) as may for the time being be notified to the Company by or on behalf of the member for that purpose but have been returned undelivered, or if, after any one such occasion, the Directors or any committee authorised by the Directors on their behalf are of the opinion, after the making of all reasonable enquiries, that any further notices to such member would, if sent as aforesaid, likewise be returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated

with the Company in respect of his shares and supplied in writing to the transfer office a new registered address or address within the United Kingdom for receiving notices

Advertisement of notices

152 Any notice required to be sent by the Company to the members or any of them, and not expressly provided for by or pursuant to these Articles, shall be sufficiently sent if given by advertisement inserted once in at least one leading Scottish and one leading national daily newspaper

Notices during disruption of postal services

153 If at any time, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one leading Scottish and one leading national daily newspaper published on the same date and such notice shall be deemed to have been duly sent to all members entitled thereto on the day when the advertisement appears In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable

Deemed notice

154 (A) A member present in person at any meeting of the Company or of the holders of any class of shares shall be deemed to have been sent notice of the meeting and, where requisite, of the purposes for which it was called

Successors in title bound by notice to predecessor

154 (B) Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been sent to the person from whom he derives his title, but this Article 154 (B) shall not apply to a notice given under Section 212 of the 1985 Act

Statutory requirements

155 Nothing in any of Articles 148 to 154 inclusive shall affect any requirement of the Statutes that any particular offer, notice or other document be sent in any particular manner

WINDING UP

Liquidator may distribute in specie

156 If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of an extraordinary resolution and any other sanction required by the Insolvency Act 1986, divide among the members *in specie* the whole, or any part of, the assets of the Company and

whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members

Disposal of assets to trusts

157 The liquidator may, with the like authority referred to in Article 156, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability

PROVISIONS FOR EMPLOYEES

158 The Directors may, by resolution, exercise any power conferred by Section 719 of the 1985 Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiary undertakings in connection with the cessation, or the transfer to any person, of the whole, or part of, the undertaking of the Company or that subsidiary undertaking

INDEMNITY

159 Subject to the provisions of and so far as may be consistent with the Statutes, but without prejudice to any indemnity to which such person may otherwise be entitled, every Director, auditor, Secretary, other officer or employee of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer, auditor or employee of the Company and in which decree or judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court

ADR DEPOSITARIES

160 Without prejudice to the right of an ADR Depositary to exercise any other rights conferred in these Articles, an ADR Depositary may appoint as its proxy or proxies ADR Holders registered on the books of the ADR Depositary and may determine the method by which, and the terms on which, such appointments are made, save that each such appointment shall identify the number of Ordinary Shares in respect of which the appointment is made and the aggregate number of Ordinary Shares in respect of which appointments subsist at any one time shall not exceed the aggregate number of Ordinary Shares which for the time being shall be registered in

the name of the ADR Depositary or its nominee (such aggregate number of Ordinary Shares for the time being hereinafter called the ***Depositary Shares***)

161 The ADR Depositary shall maintain a register or system(s) (the ***Proxy Register***) in which shall be recorded such details as the Directors may determine to identify each person who is for the time being so appointed as proxy pursuant to Article 160 (an ***Appointed Proxy***) and the number of Depositary Shares (his ***Appointed Number***) in respect of which his appointment for the time being subsists The Proxy Register shall be open to inspection by any person authorised by the Company during usual business hours and the ADR Depositary shall furnish to the Company or its agents upon demand all such information as to the contents of the Proxy Register, or any part of it, as may be requested

162 Subject to the Statutes and provided there are sufficient Depositary Shares to satisfy his Appointed Number, an Appointed Proxy shall, in relation to proceedings at any general meeting

(i) upon production to the Company at a general meeting of evidence of his appointment (which shall be in such form as the Company and the ADR Depositary shall determine from time to time) be entitled to the same rights, and subject to the same restrictions, in relation to his Appointed Number of the Depositary Shares as though such shares were registered in the name of the Appointed Proxy,

(ii) himself be entitled, by a proxy appointment duly executed by him pursuant to Article 81 (A), to appoint another person, including the ADR Depositary, as his proxy in relation to his Appointed Number of Depositary Shares, and so that the provisions of these Articles shall apply (*mutatis mutandis*) in relation to a proxy appointment executed pursuant to this paragraph (ii) of this Article and to a person appointed pursuant to such proxy appointment as though such person were the proxy of a member and the proxy appointment were a form of proxy executed by the Appointed Proxy in accordance with Article 81 (A)

163 The Company may send to the Appointed Proxies as appearing in the Proxy Register at their addresses as so appearing all notices and other documents which are sent to the holders of Ordinary Shares The entitlement of Appointed Proxies to receive notice of general meetings pursuant to Article 59 (A) shall be governed by the provisions of Articles 148, 149, 151, 153 and 154 which shall apply in respect of such notices as if such Appointed Proxies were members.

164 When a Record Date is determined in accordance with the provisions of Article 167 for a particular purpose

(i) the number of Depositary Shares in respect of which a person entered in the Proxy Register as an Appointed Proxy is to be treated as having been appointed for that purpose shall be the number in respect of which his appointment subsists as identified by the Proxy Register as at the Record Date, and

(ii) changes to entries in the Proxy Register after the Record Date shall be disregarded in determining the entitlement of any person for the purpose concerned

165 Except as required by law, no Appointed Proxy shall be recognised by the Company as holding any interest in shares upon any trust and subject to the recognition of the rights conferred in relation to general meetings by appointments made by Appointed Proxies pursuant to Article 162 (ii) the Company shall be entitled to treat any person entered in the Proxy Register as an Appointed Proxy as the only person (other than the ADR Depositary) who has any interest in the Ordinary Shares in respect of which the Appointed Proxy has been appointed

166 If any question shall arise as to whether any particular person or persons has or have been validly appointed to vote (or exercise any other right) in respect of any Depositary Shares (whether by reason of the aggregate number of shares in respect of which appointments are identified in the Proxy Register exceeding the aggregate number of Depositary Shares or for any other reason) such question shall if arising at or in relation to a general meeting be determined by the chairman of the meeting (and if arising in any other circumstances shall be determined by the Directors) whose determination (which may include declining to recognise a particular appointment or appointments as valid) shall if made in good faith be conclusive and binding on all persons interested

Record date

167 Subject to the Statutes and Regulations but notwithstanding any other provision of these Articles, the Company or the Directors may by resolution specify any date and time (the ***Record Date***) as the date and time on which persons registered as the holders of shares or other securities or (as appropriate) Appointed Proxies shall be entitled (i) to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular or (ii) to attend at any general meeting and/or to exercise voting rights in respect of shares registered in their name in the register of members or in respect of which their appointment subsists as identified by the Proxy Register (as the case may be) as at such a date and time, and any such Record Date may be on, or at any time before, the date on which the same is paid, made, despatched or published or on which the general meeting is held or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced, but without prejudice to the rights *inter se* in respect of the same of transferors and transferees of any such shares or other securities

168 Rights and Restrictions attached to the B Shares

(A) Election Form

(a) Together with a circular to shareholders dated 31 March 2006 (the ***Circular***) holders of ordinary shares were sent a form of election relating to the B Shares (the ***Election Form***) under which they could elect in relation to any B Shares held by them to (i) receive the Single B Share Dividend (as defined below), (ii)

accept an offer by an agent on behalf of the Company to purchase the B Shares (the ***Initial Repurchase Offer***), or (iii) retain B Shares and receive the B Share Continuing Dividend (as defined below).

(b) Holders of B Shares who have not returned a duly completed Election Form by 6 pm on 19 May 2006 (or such later time and/or date as the Directors may determine) electing (revocably until that time) to accept the Initial Repurchase Offer or to retain their B Shares and receive the B Share Continuing Dividend will be deemed instead to have elected to receive the Single B Share Dividend (as described in Article 168(B) below) in relation to each B Share held by them

(c) The Directors may, if they so determine in their absolute discretion, accept an Election Form which is received after the relevant time or which is not correctly completed or returned The Directors may, in addition, if they so determine in their absolute discretion, treat any other document or action as a valid Election Form or as the completion or delivery of a valid Election Form, as the case may be

(B) Income

(a) Out of the profits available for distribution, a single dividend of £3 60 per B Share (the ***Single B Share Dividend***) shall be payable to holders of B Shares on the register of members of B Shares at 6 pm on 19 May 2006 (or such later time and/or date as the Directors may determine) who have validly elected or are deemed pursuant to Article 168(A)(b) above or in accordance with the Circular and the Election Form to have elected to receive the Single B Share Dividend in respect of such B Shares registered in their name at such date and time

(b) Such dividend shall, if declared, become payable on 22 May 2006 or such later date as the Directors may determine (the ***Single Dividend Date***) Each B Share in respect of which such dividend is declared shall immediately be automatically converted into a deferred share of 50 pence nominal value with the rights and restrictions described in Article 168(H) (a ***Deferred Share***)

(c) Out of the profits available for distribution in respect of each financial year or other accounting period of the Company, the holders of the B Shares who have elected to retain their B Shares or in accordance with the Circular and the Election Form are deemed to have elected to retain their B Shares shall be entitled, in priority to any payment of dividend or other distribution to the holders of any ordinary shares and before profits are carried to reserves, to be paid a non cumulative preferential dividend (the ***B Share Continuing Dividend***) at such annual rate on a value of £3 60 per B Share as is calculated in accordance with Articles 168(B)(e) and 168(B)(f) below rounded down to the nearest 1/10 penny

(d) The first B Share Continuing Dividend will be in respect of the period commencing on the Single Dividend Date as defined under Article 168(B)(b),

and is to be paid in arrears on 28 May 2007 (or such later date in 2007 as the Directors may determine) and thereafter, such dividend will be paid (without having to be declared) annually in arrears on 28 May (or such later date as the Directors may determine) in each year or, if any such date would otherwise fall on a date which is not a Business Day (as defined below) it shall be postponed to the next day which is a Business Day (without any interest or payment in respect of such delay being charged) (each, a ***Payment Date***)

(e) Each twelve month period ending on 28 May is called a ***Calculation Period*** The annual rate applicable to each Calculation Period shall be 75 per cent of 12 month LIBOR for the Calculation Period in question which appears on the display designated as page ISDA on Reuters (or such other page or service as may replace it or have replaced it for the purpose of displaying London inter bank offered rates of leading banks for pounds sterling deposits as determined by the Company), at or about 11 am (London time) on the first Business Day of such Calculation Period

(f) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then Article 168(B)(e) above shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded upward, if necessary, to the nearest 1/16 per cent) of the rates (being at least two) which so appear, as determined by the Company If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Company will request each of the banks whose offered rates would have been used for the purposes of the relevant page, if the event leading to the application of this Article 168(B)(f) had not happened, through its principal London office to provide the Company with its offered quotation to leading banks for pounds sterling deposits in London for the Calculation Period concerned as at 11 am (London time) on the first Business Day of such Calculation Period The rate for such Calculation Period shall be the arithmetic mean (rounded upward, if necessary, to the nearest 1/16 per cent) of such quotations (or of such of them, being at least two, as are so provided), as determined by the Company.

(g) In this paragraph, the expression ***Business Day*** means a day upon which pounds sterling deposits may be dealt in on the London inter bank market and commercial banks are generally open in London, and 'non cumulative' in relation to the B Share Continuing Dividend means that the dividend payable on each Payment Date is payable out of the profits of the Company available for distribution in respect of the accounting reference period in which the Payment Date falls (including any reserves representing profits made in previous accounting reference periods) without any right in the case of a deficiency to resort to profits made in subsequent accounting reference periods

(h) Payments of the B Share Continuing Dividend under Article 168(B)(d) shall be made to holders on the Company's relevant register on a date selected by the Directors, being not less than 15 days nor more than 42 days (or, in default

of selection by the Directors, on the date falling 15 days) prior to the relevant Payment Date

(i) The holders of the B Shares shall not be entitled to any further right of participation in the profits of the Company

(j) All B Share Continuing Dividends payable on the B Shares which are unclaimed for a period of 12 years from the date of due payment shall be forfeited and shall revert to the Company

(C) Capital

(a) Except as provided in Article 168(F) below, on a return of capital on winding up (excluding any intra group reorganisation on a solvent basis), the holders of the B Shares shall be entitled, in priority to any payment to the holders of ordinary shares, to £3 60 per B Share held by them, together with a sum equal to the relevant proportion of the B Share Continuing Dividend (if any) under Article 168(B)(c) which would have been payable, if the winding up had taken effect on the last day of the then current Calculation Period, the relevant proportion being the number of days from and including the preceding Payment Date (or, if the date of such winding up is prior to 22 May 2006, the Single Dividend Date) to, but excluding, the date of such winding up, divided by 365

(b) The aggregate entitlement of each holder of B Shares on a winding up in respect of all of the B Shares held by him shall be rounded up to the nearest whole penny

(c) On a winding up, the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 168(C)(a) above If on such a winding up the amounts available for payment are insufficient to cover in full the amounts payable on the B Shares, the holders of such shares will share rateably in the distribution of assets (if any) in proportion to the full preferential amounts to which they are entitled

(d) The holders of the B Shares shall not be entitled to any further right of participation in the assets of the Company

(D) Attendance and voting at general meetings

(a) The holders of the B Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting unless

(i) the business of the meeting includes the consideration of a resolution for the winding up (excluding any intra group reorganisation on a solvent basis) of the Company, in which case the holders of the B

Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on any such resolution, or

(ii) at the date of the notice convening the meeting, the B Share Continuing Dividend has remained unpaid for six months or more from the relevant Payment Date, in which case the holders of the B Shares shall have the right to attend the general meeting and shall be entitled to speak and vote on all resolutions

(b) Whenever the holders of the B Shares are entitled to vote at a general meeting of the Company, on a show of hands every holder thereof who (being an individual) is present in person or (being a corporation) by a representative shall have one vote, and on a poll every such holder shall have one vote per B Share.

(E) Company's right to purchase

(a) Subject to the provisions of the 1985 Act and to compliance with applicable securities law and regulations but without the need to obtain the sanction of any resolution of the holders of the B Shares, the Company may at any time and at its sole discretion purchase B Shares (i) in the market or (ii) by tender available alike to all holders of B Shares or (iii) by private treaty, in each case at a price and upon such other terms and conditions as the Directors may think fit

(b) Subject to the provisions of the 1985 Act, and pursuant to the authority provided in Article 168(E)(a) above, the Company may, at any time after 14 May 2011, without obtaining the sanction of the holders of the B Shares

(i) appoint any person to execute on behalf of all the holders of the B Shares a transfer of all of the B Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the Directors may determine, subject to the Company or such person (as the case may be) paying to the holders of the B Shares so transferred such amount as they would be entitled to under Article 168(C) were the Company to be wound up on such day, and

(ii) cancel all or any B Shares so purchased by the Company in accordance with the 1985 Act, and

(iii) in connection therewith, change the form of any B Shares held in uncertificated form to certificated form and cancel any relevant listing or trading of such B Shares (and the holders of the B Shares shall take, and the Company may on their behalf take, such steps as may be required in connection with such change of form or cancellation of listing)

(F) Class rights

(a) The Company may from time to time create, allot and issue further shares, whether ranking pari passu with or in priority or subsequent to the B Shares The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of B Shares

(b) A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares and, upon such reduction, the payment to the holders of the B Shares of the preferential amounts to which they would be entitled to under Article 168(C) were the Company to be wound up on the day that such reduction becomes effective (or the issue to the holders of the B Shares of new shares in any new holding company of the Company with substantially the same terms as the B Shares), shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares For the avoidance of doubt, the deemed variation of class rights referred to in Article 8(B)(a) shall not apply to the B Shares Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes (subject to obtaining, as applicable, the consent of the holders of the ordinary shares and the confirmation of the Court in each case in accordance with the 1985 Act) and such reduction (or purchase) shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares The holders of the B Shares shall not be entitled to participate in any capitalisation of profits or reserves by the Company and any such capitalisation shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares.

(c) If at any time a currency other than pounds sterling is accepted as legal tender in the United Kingdom in place of or in addition to pounds sterling, the Directors shall be entitled, without the consent of holders of the ordinary shares or the B Shares, to make such arrangements and adjustments in respect of the method of calculation and payment of any of the entitlements of holders of B Shares under these Articles as the Directors consider necessary, fair and reasonable in the circumstances to give effect to the rights attaching to the B Shares, including (without limitation) in respect of the calculation and payment of the B Share Continuing Dividend, notwithstanding the fact of such acceptance Any such arrangements and adjustments shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of B Shares

(G) Deletion of Article 168(A) (G) when no B Shares in existence

Article 168(A) (G) shall remain in force until there are no longer any B Shares in existence whether by way of conversion into Deferred Shares, repurchase and cancellation, whichever is earlier, notwithstanding any provision in the Articles to the

contrary Thereafter Article 168(A) (G) shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 168(A) (G) are referred to in other Articles) and shall be deleted and replaced with the wording 'Article 168(A) (G) has been deleted', and the separate register for the holders of B Shares shall no longer be required to be maintained by the Company, but the validity of anything done under Article 168(A) (G) before that date shall not otherwise be affected and any actions taken under Article 168(A) (G) before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever

(H) Deferred Shares

(a) Income

The Deferred Shares shall confer no right to participate in the profits of the Company

(b) Capital

On a return of capital on a winding up (excluding any intra group re organisation on a solvent basis) there shall be paid to the holders of the Deferred Shares the nominal capital paid up or credited as paid up on such Deferred Shares after

(i) firstly, paying to the holders of the B Shares £3 60 per B Share held by them together with any outstanding entitlement to the B Share Continuing Dividend up to the Payment Date last preceding the return of capital, and

(ii) secondly, paying to the holders of the ordinary shares the nominal capital paid up or credited as paid up on the ordinary shares held by them respectively, together with the sum of £100,000 on each ordinary share.

The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company

(c) Attendance and voting at general meetings

The holders of the Deferred Shares shall not be entitled to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting

(d) Form

The Deferred Shares shall not be listed on any stock exchange nor shall any share certificates be issued in respect of such shares The Deferred Shares shall not be transferable except in accordance with Article 168(H)(f) below or with the written consent of the Directors

(e) Class rights

The Company may from time to time create, allot and issue further shares, whether ranking pari passu with or in priority or subsequent to the Deferred Shares, and on

such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares A reduction by the Company of the capital paid up or credited as paid up on the Deferred Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares For the avoidance of doubt, the deemed variation of class rights referred to in Article 8(B)(a) shall not apply to the Deferred Shares Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes (subject to obtaining, as applicable, the consent of the holders of the ordinary shares and the confirmation of the Court in each case in accordance with the 1985 Act) and such reduction (or purchase) shall not involve a variation of any rights attaching to the Deferred Shares for any purpose or require the consent of the holders of the Deferred Shares

(f) Transfer

The Company may at any time (and from time to time), subject to the provisions of the 1985 Act, without obtaining the sanction of the holder or holders of the Deferred Shares

(i) appoint any person to execute on behalf of any holder of Deferred Shares a transfer of all of the Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the Directors may determine (whether or not an officer of the Company), and any such transfer shall be for no consideration, and

(ii) cancel all or any of the Deferred Shares so acquired by the Company in accordance with the 1985 Act

(I) Deletion of Article 168(H) (I) when no Deferred Shares in existence

Article 168(H) (I) shall remain in force until there are no longer any Deferred Shares in existence, whichever is earlier, notwithstanding any provision in the Articles to the contrary Thereafter Article 168(H) (I) shall be and shall be deemed to be of no effect (save to the extent that the provisions of Article 168(H) (I) are referred to in other Articles) and shall be deleted and replaced with the wording 'Article 168(H) (I) has been deleted', and the separate register for the holders of Deferred Shares shall no longer be required to be maintained by the Company, but the validity of anything done under Article 168(H) (I) before that date shall not otherwise be affected and any actions taken under Article 168(H) (I) before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever

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