

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

SP DISTRIBUTION LIMITED

(as amended by Special Resolution passed on 21 October 2002)

(and as amended by Special Resolution passed on 14 March 2003)

(and as amended by Special Resolution passed on 26 January 2009)

- I. The Company's name is "SP DISTRIBUTION LIMITED".
- II. The Company's Registered Office is to be situated in Scotland.
- III. The objects for which the Company is established are:-
- (1) To carry on for profit, directly or indirectly and whether by itself or through subsidiary, associated or allied companies or firms, in the United Kingdom or elsewhere any business, undertaking, project or enterprise of any description whether of a private or a public character and all or any trades, processes and activities connected with or ancillary or complementary to any of the businesses of the Company or which, in the opinion of the Company or the Directors, can be carried on to the benefit of the Company or which might, directly or indirectly, enhance the value of or render profitable any of the Company's property, rights or assets.
 - (2) To carry on business as a general commercial company.
 - (3) To appoint agents or brokers on commission or representatives of the Company to act in any of the businesses of the Company through or by means of branches, agencies, brokers, sub-contractors or others.



* On 14 December 1998 the name of the Company was changed from "Randotte (No. 462) Limited" to "ScottishPower Distribution Limited". On 11 May 2001, the name of the Company was changed from "ScottishPower Distribution Limited" to "SP Distribution Limited". The Company was incorporated as a private company and by special resolution passed on 21 October 2002 was re-registered as a public company. By special resolution passed on 14 March 2003 the Company was re-registered as a private limited company.

- (4) To apply for, register, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any patents, patent rights, brevets d'invention, licences, trademarks, designs, protections and concessions which may appear likely to be advantageous or useful to the Company, and to 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 and testing and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (5) To purchase, feu, rent, lease, exchange or otherwise acquire any heritable or personal property in the United Kingdom or abroad, either for the Company exclusively or jointly with any companies, associations, partnerships or persons, which may be deemed necessary or expedient for the purposes of the Company; to erect offices, mills, factories, warehouses, works, dwellinghouses and other buildings; to maintain, alter, enlarge and improve the same; and to acquire any rights, servitudes, easements and privileges in relation to any lands, water or buildings.
- (6) To acquire and 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 and invest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for limiting competition, or for mutual assistance with any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any Shares, Debentures, Debenture Stock or Securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with, any Shares, Debentures, Debenture Stock or Securities so received.
- (7) To improve, manage, cultivate, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant rights and privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company.
- (8) To invest and deal with the moneys of the Company not immediately required in such Shares or upon such securities and in such manner as may from time to time be determined.
- (9) To lend and advance money or give credit to such persons, firms or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to give guarantees or security for any such persons, firms or companies.
- (10) To secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person in any way.
- (11) To borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of Debentures or Debenture Stock (perpetual or otherwise), and to secure the repayment of any money borrowed, raised or owing, by mortgage, charge, standard security or lien 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 or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake.

- (12) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (13) To apply for, promote and obtain any Act of Parliament, Provisional 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 expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (14) To enter into any arrangements with any Governments or authorities (supreme municipal, local or otherwise) or any corporations, companies or persons that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such Government, authority, corporation, company or person any charters, contracts, decrees, rights, privileges, and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- (15) To subscribe for, take, purchase or otherwise acquire and hold Shares or other interests in or securities of any other company having objects altogether or in part similar to those of the Company or carrying on any business capable of being carried on so as directly or indirectly to benefit the Company, and to purchase or otherwise acquire Shares in the Share Capital of the Company subject to the provisions of the Companies Act 1985.
- (16) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (17) To remunerate any person, firm or company rendering services to the Company, either by cash payment or by the allotment to him or them of Shares or securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (18) 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, Debentures, Debenture Stock or securities of the Company.
- (19) To purchase and maintain insurance for, or for the benefit of, any persons who are or were at any time Directors, officers, employees or Auditors of the Company or of any other company which is the holding company of the Company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest, whether direct or indirect, or which is in any way allied to or associated with the Company, or of any subsidiary

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undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are or have been 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 or discharge of their duties or in the exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund and to such extent as may be permitted by law or otherwise to indemnify or to exempt any such person against or from any such liability; for the purposes of this Sub-Clause "holding company" and "subsidiary undertaking" shall have the same meanings as in Sections 736 and 258 respectively of the Companies Act 1985.

- (20) To support and subscribe to any charitable or public object and any institution, society, or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business; to give pensions, gratuities or charitable aid to any persons who may have been Directors of or may have served the Company, or to the wives, husbands, children or other relatives or dependants of such persons; to make payments towards insurance; and to form and contribute to provident and benefit funds for the benefit of any such persons or of their wives, husbands, children or other relatives or dependants.
- (21) To promote any other company for the purpose of acquiring the whole or any part of the business or property and undertaking 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.
- (22) 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.
- (23) To distribute among the Members of the Company in kind any property of the Company, and in particular any Shares, Debentures or securities of other companies belonging to the Company or of which the Company may have the power of disposing.
- (24) To procure the Company to be registered or recognised in any part of the world.
- (25) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

It is hereby expressly declared that each Sub-Clause of this Clause shall be construed independently of the other Sub-Clauses hereof, and that none of the objects mentioned in any Sub-Clause shall be deemed to be merely subsidiary to the objects mentioned in any other Sub-Clause.

IV. The liability of the Members is limited.



V. The Company's Share Capital is £300,000,000^{***} divided into 300,000,000 Ordinary Shares of £1 each.

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

Names and Addresses of Subscribers	Number of Shares taken by each Subscriber
"James R Will" James Robert Will Saltire Court 20 Castle Terrace <u>Edinburgh</u>	One
"Iain Meiklejohn" Iain Maury Campbell Meiklejohn Saltire Court 20 Castle Terrace <u>Edinburgh</u>	One
Total Shares taken	<u>Two</u>

DATED: 24 August 1998

WITNESS the above Signatures:

"Andrew D Birrell"
Andrew David Birrell
Saltire Court
20 Castle Terrace
Edinburgh
Writer to the Signet

^{***} On 14 August 2001 the Share Capital of the Company was increased from £100 divided into 100 Ordinary Shares of £1 each to £200,000,000 divided into 200,000,000 Ordinary Shares of £1 each by the creation of 199,999,900 Ordinary Shares of £1 each ranking pari passu with the existing Ordinary Shares in the capital of the Company. On 26 January 2009 the Share Capital of the Company was increased from £200,000,000 divided into 200,000,000 Ordinary Shares of £1 each to £300,000,000 divided into 300,000,000 Ordinary Shares of £1 each by the creation of 100,000,000 Ordinary Shares of £1 each ranking pari passu with the existing Ordinary Shares in the capital of the Company.