THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM

and

ARTICLES OF ASSOCIATION

of

Wessex Water Service Finance Plc

Linklaters & Paines (RJA)
One Silk Street
London EC2Y 8HQ
THE COMPANIES ACT 1985

COMPANIES LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

Wessex Water Services Finance Plc

1 The Company's name is "Wessex Water Services Finance Plc".

2 The Company is to be a public company.

3 The Company's registered office is to be situate in England and Wales.

4 The Company's objects are:-

4.1 To carry on the business of banking and financing including, but without prejudice to the generality of the foregoing, the borrowing, raising or taking up of money, securities or property, and providing financial facilities to any company, firm, or person by entering into financial and other arrangements for the purpose of promoting or otherwise assisting the business of such company, firm or person, on such terms and in such manner as may be desirable or expedient, to sell and purchase and/or keep up and maintain goods, articles or commodities of all and every kind and description either by buying, selling, letting on hire, hire purchase or easy payment systems, or by financing or assisting other companies to do all or any of such last mentioned acts, transactions and schemes and in such manner as may be necessary or expedient and in connection with or for any of these purposes, to purchase agreements, lend money, give guarantees or security, or otherwise finance or assist all or any such purposes on such terms and in such manner as may be desirable or expedient.

4.1.1 For the above purposes to hold, deal with, invest, manage, direct the management of, buy, sell, exchange, mortgage, charge, lease, dispose of or grant any right or interest in, over or upon any real or personal property of any kind, including contingent and reversionary interests in any property, and to undertake and carry on any business undertaking or transaction.

4.1.2 To carry on any other business or activity of any nature whatsoever which may seem to the Directors to be capable of being conveniently or advantageously carried on in connection or conjunction with any business of the Company hereinbefore or hereinafter authorised or to be expedient with a view directly or indirectly to enhancing the value of or to rendering profitable or more profitable any of the Company's assets or utilising its skills, know-how or expertise.

4.3 To subscribe, underwrite, purchase, or otherwise acquire, and to hold, dispose of, and deal with, any shares or other securities or investments of any nature whatsoever, and any options or rights in respect thereof or interests therein, and to buy and sell foreign exchange.

1. Name changed from Hackplimco (No. Sixty-Four) Public Limited Company by Certificate of Incorporation on Change of Name dated 9 February 1999 and Certificate of Incorporation on Change of Name in lower case lettering was issued on 12 February 1999.

4.4 To draw, make, accept, endorse, discount, negotiate, execute, and issue, and to buy, sell and deal with bills of exchange, promissory notes, and other negotiable or transferable instruments or securities.

4.5 To purchase, or otherwise acquire for any estate or interest, any property (real or personal) or assets or any concessions, licences, grants, patents, trade marks, copyrights or other exclusive or non-exclusive rights of any kind and to hold, develop and turn to account and deal with the same in such manner as may be thought fit and to make experiments and tests and to carry on all kinds of research work.

4.6 To build, construct, alter, remove, replace, equip, execute, carry out, improve, work, develop, administer, maintain, manage or control buildings, structures or facilities of all kinds, whether for the purposes of the Company or for sale, letting or hire to or in return for any consideration from any company, firm or person, and to contribute to or assist in or carry out any part of any such operation.

4.7 To amalgamate or enter into partnership or any joint venture or profit/loss-sharing arrangement or other association with any company, firm, person or body.

4.8 To purchase or otherwise acquire and undertake all or any part of the business, property and liabilities of any company, firm, person or body carrying on any business which the Company is authorised to carry on or possessed of any property suitable for the purposes of the Company.

4.9 To promote, or join in the promotion of, any company, whether or not having objects similar to those of the Company.

4.10 To borrow and raise money and to secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgage and charges upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the Company, or by the creation and issue of debentures, debenture stock or other securities of any description.

4.11 To advance, lend or deposit money or give credit to or with any company, firm or person on such terms as may be thought fit and with or without security.

4.12 To guarantee or give indemnities or provide security, whether by personal covenant or by mortgage or charge upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the Company, or by all or any such methods, for the performance of any contracts or obligations, and the payment of capital or principal (together with any premium) and dividends or interest on any shares, debentures or other securities, of any person, firm or company including (without limiting the generality of the foregoing) any company which is for the time being a holding company of the Company or another subsidiary of any such holding company or is associated with the Company in business.

4.13 To issue any securities which the Company has power to issue for any other purpose by way of security or indemnity or in satisfaction of any liability undertaken or agreed to be undertaken by the Company.

4.14 To sell, lease, grant licences, easements and other rights over, and in any other manner deal with or dispose of, the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit, and in particular for shares or other securities, whether fully or partly paid up.

4.15 To procure the registration, recognition or incorporation of the Company in or under the laws of any territory outside England.
4.16 To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any purpose which may be considered likely directly or indirectly to further the interests of the Company or of its members.

4.17 To establish and maintain or contribute to any pension or superannuation funds for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any individuals who are or were at any time in the employment or service of the Company or of any company which is its holding company or is a subsidiary of the Company or any such holding company or otherwise is allied to or associated with the Company or any of the predecessors of the Company or any other such company as aforesaid, or who are or were at any time directors or officers of the Company or of any such other company, and the wives, widows, families and dependants of any such individuals; to establish and subsidise or subscribe to any institutions, associations, clubs or funds which may be considered likely to benefit any such persons or to further the interests of the Company or of any such other company; and to make payments for or towards the insurance of any such persons.

4.18 To establish and maintain, and to contribute to, any scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of its employees or former employees, or those of its subsidiary or holding company or subsidiary of its holding company, or by or for the benefit of such other persons as may for the time being be permitted by law, or any scheme for sharing profits with its employees or those of its subsidiary and/or associated companies, and (so far as for the time being permitted by law) to lend money to employees of the Company or of any company which is its holding company or is a subsidiary of the Company or any such holding company or otherwise is allied to or associated with the Company with a view to enabling them to acquire shares in the Company or its holding company.

4.19

4.19.1 To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding 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 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 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 in the exercise or purported exercise of their powers and/or otherwise in relation to the Company or any such other company, subsidiary undertaking or pension fund and

4.19.2 to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability; for the purposes of this clause "holding company" and "subsidiary undertaking" shall have the same meanings as in the Companies Act 1985 as amended by the Companies Act 1989.

4.20 To distribute among members of the Company in specie or otherwise, by way of dividend or bonus or by way of reduction of capital, all or any of the property or assets of the Company, or any proceeds of sale or other disposal of any property or assets of the Company, with and subject to any incident authorised, and consent required, by law.

4.21 To do all or any of the things and matters aforesaid in any part of the world, and either as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents, subsidiary companies or otherwise, and either alone or in conjunction with others.
4.22 To do all such other things as may be considered to be incidental or conducive to any of the above objects.

And it is hereby declared that the objects of the Company as specified in each of the foregoing paragraphs of this Clause (except only if and so far as otherwise expressly provided in any paragraph) shall be separate and distinct objects of the Company and shall not be in any way limited by reference to any other paragraph or the order in which the same occur or the name of the Company.

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.
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.

<table>
<thead>
<tr>
<th>Names and Addresses of Subscribers</th>
<th>Number of Shares taken by each Subscriber</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Hackwood Directors Limited</td>
<td>One</td>
</tr>
<tr>
<td>One Silk Street</td>
<td></td>
</tr>
<tr>
<td>London EC2Y 8HQ</td>
<td></td>
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<tr>
<td>M A Jackson</td>
<td></td>
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<tr>
<td>For and on behalf of</td>
<td></td>
</tr>
<tr>
<td>Hackwood Directors Limited</td>
<td></td>
</tr>
<tr>
<td>2 Hackwood Secretaries Limited</td>
<td>One</td>
</tr>
<tr>
<td>One Silk Street</td>
<td></td>
</tr>
<tr>
<td>London EC2Y 8HQ</td>
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</tr>
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<td>Hackwood Secretaries Limited</td>
<td></td>
</tr>
</tbody>
</table>

Total Shares Taken: Two

DATED 21 January 1999

Witness to the above Signatures:-

C E Doe

One Silk Street,
London EC2Y 8HQ.
THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
Wessex Water Services Finance Plc

PRELIMINARY

1 The regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 (as amended so as to affect companies first registered on the date of incorporation of the Company) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or Articles of Association. References herein to regulations are to regulations in the said Table A unless otherwise stated.

SHARE CAPITAL

2 The share capital of the Company is £50,000 divided into 50,000 Ordinary Shares of £1 each.

3

3.1 Subject to Section 80 of the Act, all unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.

3.2

3.2.1 Pursuant to and in accordance with Section 80 of the Act the Directors shall be generally and unconditionally authorised to exercise during the period of five years from the date of incorporation of the Company all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £50,000;

3.2.2 by such authority the Directors may make offers or agreements which would or might require the allotment of relevant securities after the expiry of such period.

3.3 Any allotment made pursuant to clause 3.2 of these Articles may be made as if Section 89(1) of the Act did not apply.

3.4 Words and expressions defined in or for the purposes of the said Section 80 or the said Section 89 shall bear the same meanings in this Article.

PROCEEDINGS AT GENERAL MEETINGS

4 In the case of a corporation a resolution in writing may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be extended accordingly. Regulation 53 (as so extended) shall apply mutatis mutandis to resolutions in writing of any class of members of the Company.

VOTES OF MEMBERS

5 An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof) must either be delivered at such place or one of such places (if any) as may be specified for that purpose in or by way of
note to the notice convening the meeting (or, if no place is so specified, at the registered office) before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used or be delivered to the Secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll. The instrument may be in the form of a facsimile or other machine made copy and 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. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Regulation 62 shall not apply.

ALTERNATE DIRECTORS

6

6.1 Any director (other than an alternate director) may by notice in writing to the Company appoint any other director, or any other person who is willing to act, to be an alternate director and remove from office an alternate director so appointed by him. Regulation 65 of Table A shall not apply.

6.2 An alternate Director shall be entitled to receive notices of meetings of the Directors and of any committee of the Directors of which his appointor is a member and shall be entitled to attend and vote as a Director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions 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 be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. 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. 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, nor shall he be deemed to be the agent of his appointor. Regulations 66 and 69 shall not apply.

6.3 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

DELEGATION OF DIRECTORS' POWERS

7 In addition to the powers to delegate contained in Regulation 72, the Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees consisting of one or more Directors and (if thought fit) one or more other named persons or persons to be co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee. 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 may provide for members who are not Directors to have voting rights as members of the committee but so that (a) the number of members who are not Directors 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 passed by a majority including at least one member of the committee who is a Director. Regulation 72 shall be modified accordingly.

**APPOINTMENT AND RETIREMENT OF DIRECTORS**

8 The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 and the second and third sentences of Regulation 79 shall not apply, and other references in the said Table A to retirement by rotation shall be disregarded.

**DISQUALIFICATION AND REMOVAL OF DIRECTORS**

9 The office of a Director shall be vacated in any of the events specified in Regulation 81 and also if he shall in writing offer to resign and the Directors shall resolve to accept such offer or if he shall be removed from office by notice in writing signed by all his co-Directors (being at least two in number) but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

10 Any provision of the Act which, subject to the provisions of the articles, would have the effect of rendering any person ineligible for appointment or election as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any Director over a specified age, shall not apply to the Company.

**REMUNERATION OF DIRECTORS**

11 Any Director who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine. Regulation 82 shall be extended accordingly.

**PROCEEDINGS OF DIRECTORS**

12 On any matter in which a Director is in any way interested he may nevertheless vote and be taken into account for the purposes of a quorum and (save as otherwise agreed) may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof. Regulations 94 to 98 shall not apply.

**INDEMNITY**

13.1 Subject to the provisions of and so far as may be consistent with the Statutes, every Director, Secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and/or exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (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 or employee of the Company and in which 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.

13.2 Without prejudice to paragraph 13.1 of this Article 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 any Relevant Company (as defined in paragraph 13.3 of this Article) or who are or were at any time trustees of any pension fund or employees’ share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees’ share scheme.

13.3 For the purpose of paragraph 13.2 of this Article “Relevant Company” shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.
Hackwood Directors Limited
One Silk Street,
London EC2Y 8HQ.

M A Jackson
For and on behalf of
Hackwood Directors Limited

Hackwood Secretaries Limited
One Silk Street,
London EC2Y 8HQ.

M A Jackson
For and on behalf of
Hackwood Secretaries Limited

DATED 21 January 1999

WITNESS to the above Signatures:-

C E Doe
One Silk Street,
London EC2Y 8HQ.
## Table A: THE COMPANIES ACT 1985

### Regulations for Management of a Company Limited by Shares

**INTERPRETATION**

1. In these regulations—
   - "the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.
   - "the articles" means the articles of the company.
   - "clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or which it falls if any day it falls.
   - "executed" includes any mode of execution.
   - "the holding register" includes the holding register of the company or the company's holding register.
   - "the holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares.
   - "the seal" means the seal of the company or the company's seal.
   - "secretary" means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.
   - "the United Kingdom" means Great Britain and Northern Ireland.

2. Unless the context otherwise requires, words and expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations became binding on the company.

### SHARE CAPITAL

3. Subject to the provisions of the Act and without prejudice to any rights attached to any shares, all shares shall be issued with such rights or restrictions as the company may by ordinary resolution determine.

4. Subject to the provisions of the Act, shares shall be issued which are subject to being redeemed or may be redeemed at the option of the company or the holder on such terms and in such manner as may be provided by the articles.

5. The company may exercise the powers of redemption conferred by the Act to the exclusion of the provisions of the Act, any such exercise may be made by the directors of a company and may be in accordance with any directions in the articles.

### SHARE CERTIFICATES

6. Every member, upon becoming the holder of any shares, shall be entitled without demand to a certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class [or any part thereof] to another person, to obtain a certificate for his holding of shares of any class [or any part thereof] in the same terms and on the same conditions as the certificate for all the shares of each class held by that other person).

7. Every certificate shall be sealed with the seal and shall contain in such manner as may be determined by the company and in accordance with the shares to which it relates and the amount or respective amounts paid up thereon.

8. The company shall have the power to issue more than one certificate for any shares, or to divide one certificate into two or more certificates or to combine two or more certificates into one certificate.

9. If a share certificate is lost, stolen, or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the company in connection with the evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

### LIEN

10. The company may have and a paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not payable) at a fixed time or charges in respect of that share. The directors may at any time declare any share to be wholly or partly in default, and from the date when notice of the default is given to the person entitled to the share, the company may retain possession of the share, or any part of it, and sell or otherwise dispose of the share or any part of it or any monies due and owing in respect thereof.

11. The company may have a lien on every share for all moneys due and owing in respect thereof.

### CALLS ON SHARES AND FORFEITURE

12. Subject to any arrangement made by the directors, the members may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of any whole share or part thereof) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may be required to be paid by instalments or in whole or in part. A member upon whom a call is made shall remain liable for calls made up to him notwithstanding the subsequent transfer of the shares in respect thereof the call was made.

13. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

15. If a call remains unpaid after it has become due and payable and the person from whom it is due and payable shall not pay the amount due and payable until it is paid at the rate fixed by the terms of allotment (as defined by the Act) but the directors may waive payment of the interest wholly or in part.

16. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or capital, shall be deemed to be a call and if it is not paid the provisions of the Act shall apply as if that amount had become due and payable by virtue of a call.

17. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payments of calls on their shares.

18. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due and payable less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is complied with the share shall be forfeited.

19. If the notice of forfeiture is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the directors may, by resolution of the directors, determine to retain any instrument of transfer in respect of the forfeited shares and not paid before the forfeiture.

20. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine (whether or not the holder of the share is in default), and the proceeds of sale may be applied to the discharge of the indebtedness of the holder or to any other person and at any time before sale, re-allotment or other disposal for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.

21. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class or any part thereof to another person, to obtain a certificate for his holding of shares of any class or any part thereof in the same terms and on the same conditions as the certificate for all the shares of each class held by that other person).

22. A statutory declaration by a director of the company or the secretary that a share has been forfeited on a specified date shall be conclusive evidence as to the facts stated in it and against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is so declared shall not be bound to see to the legality of the consideration, if any nor shall it be entitled to insist on the performance of any of the provisions in relation to the forfeiture or disposal of the share.

### TRANSFER OF SHARES

23. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

24. The directors may refuse to register the transfer of a share which is not fully paid for, and they are empowerecl to refuse to register the transfer of a share on which the company has a lien.

25. The transfers of shares of or transfers of shares of any class of shares may be suspended at such times, and for such periods (not exceeding thirty days in any year) as the directors may determine.

26. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

27. The company shall be entitled to transfer the shares registered in its name and not to accept the instrument of transfer of a share which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

### TRANSMISSION OF SHARES

28. If a member dies the surviving or sole survivor of whom he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognized by the company as having any title to his interest; but nothing herein contained shall prejudice the release of a deceased member from any liability in respect of any share which had been jointly held by him.
30. A person becoming entitled to a share in consequence of the death or bankruptcy of a member upon whose death or bankruptcy the directors may require, elects either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder of such share he shall be entitled to all the rights attaching to the share as if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any general meeting of the holders of any class of shares in the company.

31. A person becoming entitled to a share in consequence of the death or bankruptcy of a member upon whose death or bankruptcy the directors may require, elects either to become the holder of such share or to have some person nominated by him registered as the transferee. If he elects to become the holder of such share he shall be entitled to all the rights attaching to the share as if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any general meeting of the holders of any class of shares in the company.

ALTERNATION OF SHARE CAPITAL
32. The company may by ordinary resolution increase its share capital by new shares of such amount as the resolution may prescribe.
33. The company may by ordinary resolution divide all or any of its share capital into shares of larger amount than its existing shares.
34. A person becoming entitled to a share in consequence of the death or bankruptcy of a member upon whose death or bankruptcy the directors may require, elects either to become the holder of such share or to have some person nominated by him registered as the transferee. If he elects to become the holder of such share he shall be entitled to all the rights attaching to the share as if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any general meeting of the holders of any class of shares in the company.

PURCHASE OF OWN SHARES
35. The company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than in accordance with distributable profits of the company for the purchase of fresh issues of shares.

GENERAL MEETINGS
36. An annual general meeting and an extraordinary general meeting shall be called.
37. The directors may call general meetings and, on the requisition of members holding not less than one-twentieth of the aggregate voting power, may convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition.
38. Subject to the provisions of the Act, the company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

NOTICE OF GENERAL MEETINGS
39. Every notice of a general meeting shall be circulated to all the members entitled to attend and vote at such meeting.
40. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the date of the previous annual general meeting.
41. The meeting may be convened by giving notice of a meeting, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEDINGS AT GENERAL MEETINGS
42. No business shall be transacted unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a member shall be a quorum.
43. No business shall be transacted unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a member shall be a quorum.
44. The chairman, if any of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither such director shall be present within fifteen minutes after the time appointed for holding the meeting and willing to act as the chairman or there shall be no director willing to act as chairman, there shall be only one director present and willing to act, he shall be chairman.
45. If the chairman is not willing to act, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
46. If the chairman so elected is not a member, he shall be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company and to have a vote in the business to be transacted. Otherwise he shall not be necessary to give any such vote.
47. If the chairman so elected is not a member, he shall be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company and to have a vote in the business to be transacted. Otherwise he shall not be necessary to give any such vote.
48. A requisition to call a meeting of shareholders shall be in writing and signed by or on behalf of members representing not less than ten per cent of the issued share capital of the company, and shall specify the general nature of the business to be transacted. The requisition shall be given to the company by any person entitled to receive notice of a meeting, or such other persons as may be agreed upon by the company.
49. A requisition to call a meeting of shareholders shall be in writing and signed by or on behalf of members representing not less than ten per cent of the issued share capital of the company, and shall specify the general nature of the business to be transacted. The requisition shall be given to the company by any person entitled to receive notice of a meeting, or such other persons as may be agreed upon by the company.
50. Every notice of a general meeting shall be circulated to all the members entitled to attend and vote at such meeting.
51. Subject to any rules of the company, members of an individual or companies represented by a proxy shall be entitled to vote at any general meeting.
52. Any resolution passed by a general meeting shall be binding upon the company and its members.

VOTES OF MEMBERS
53. A member may, subject to any rules of the company, vote by proxy at any meeting of the company.
54. A member of the company may vote by proxy at any meeting of the company, whether in person or by proxy, and any and all votes exercised by proxy shall be valid and effective.
55. A member of the company may vote by proxy at any meeting of the company, whether in person or by proxy, and any and all votes exercised by proxy shall be valid and effective.
56. A member of the company may vote by proxy at any meeting of the company, whether in person or by proxy, and any and all votes exercised by proxy shall be valid and effective.
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60. A member of the company may vote by proxy at any meeting of the company, whether in person or by proxy, and any and all votes exercised by proxy shall be valid and effective.
approved by the directors may—
(a) be deposited at the office of, or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument accompanying the notice by the company, on presentation of the meeting not being adjourned for more than 48 hours before the time for holding the meeting or adjourned meeting at which the directors propose to vote; or
(b) in the case of a poll taken more than 48 hours after it is demanded, as aforesaid after the poll has been demanded and not less than 24 hours before the time for holding the meeting or adjourned meeting at which the poll is demanded; or
(c) where the poll is not taken forthwith but is taken not more than 48 hours after it is demanded, as aforesaid after the poll has been demanded and not less than 24 hours before the time for holding the meeting or adjourned meeting at which the poll was demanded to the chairman or to the secretary or to any director:
and an inspector of the poll whose name is not deposited or delivered in a manner so permitted shall be invalid.
53. A vote given or poll demanded by proxy or by the duly authorised representative of an interested party, in determining the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at the office or at such other place at which the instrument of proxy was duly deposited by the person entitled to give the vote or demand the poll, shall not be valid unless the same day as the meeting or adjourned meeting the time appointed for taking the poll.

NUMBER OF DIRECTORS

64. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall be fixed by the directors.

ALTERNATE DIRECTORS

65. Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may revoke from office an alternate director so appointed by him.

66. An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointer is a member, and shall have the right to vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointer as a director in his absence but shall not be entitled to receive any notice of the meetings of the company or to receive any of its services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director appointed from the United Kingdom.

67. An alternate director shall cease to be an alternate director if his appointer ceases to be a director but, if a director retires by rotation or otherwise but is reappointed by the directors at the same meeting at which he retires, any appointment of an alternate director made by him which was in force immediately before the retirement of the director shall continue in force after his reappointment.

68. Any appointment or removal of an alternate director shall be by notice to the company in the same manner as for making or revoking an appointment or in any other manner approved by the directors.

69. Save as otherwise provided in the articles, an alternate director shall be deemed to be appointed at all such meetings at which a quorum is present and may exercise all powers exercisable by the directors.

POWERS OF DIRECTORS

70. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who shall in the conduct of the business so far as is practicable by such means as the directors determine and they may remunerate any such director or directors as they think fit. Subject to any conditions that may be imposed by any regulations, no class of shareholders or of debenture holders of the company or otherwise in connection with the discharge of their duties.

DIRECTORS' APPOINTMENTS AND INTERESTS

80. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or at the request of the company and may enter into an agreement or arrangement with any director for the employment of the director from time to time and for the services which he is to render to the company. Any such agreement, appointment or arrangement shall be made only on terms which the directors determine and they shall remunerate any such director or directors as they think fit. Subject to any conditions that may be imposed by any regulations, no class of shareholders or of debenture holders of the company or otherwise in connection with the discharge of their duties.

APPOINTMENT AND RETIREMENT OF DIRECTORS

73. At the first annual general meeting all the directors shall retire from office, and at every subsequent annual general meeting one-third of the directors who are directors at the date of such meeting shall retire from office, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office, but if only one director is subject to retirement by rotation, he shall retire.

74. Subject to the provisions of the Act, the directors of the company shall be free to determine by whatever means they may think fit, and shall appoint, and may alter the terms of appointment of, such directors as they shall think fit, and two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

75. No person other than a director retiring by rotation shall be appointed or reappointed as a director at any general meeting unless—
(a) he is nominated by the directors;
(b) he not less than fourteen nor more than thirty-five clear days before the date of such meeting is notified as a candidate for appointment by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment and the reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the company's register of directors together with notice executed by that person of his acceptance of his nomination or reappointment;
(c) no less than seven nor more than twenty-eight clear days before the date appointed for the meeting or reappointment shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the company's register of directors.

76. Subject as aforesaid, the company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director in any position in which any additional directors are to retire.

77. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, or an appointment does not cause the number of directors to exceed any number fixed by or in accordance with the memorandum or the articles of directors. A director so appointed shall hold office only until the next following annual general meeting and shall not be entitled to participate in determining the directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

78. Subject as aforesaid, a director who retires at any time other than by rotation may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the next annual general meeting. If not reappointed he shall cease to act as director and may not hold office until the next annual general meeting. If willing to act, he may be reappointed. If he is not reappointed, he shall retain office until the next annual general meeting. If not reappointed, his office shall be vacated.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

79. The office of the director shall be vacated if—
(a) he ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director;
(b) he becomes bankrupt or makes an arrangement or composition with his creditors generally; or
(c) he, or any person, is, or may be, suffering from mental disorder or other illness—
(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 2003;
(ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) to deprive him of his right to hold office or to deprive him of holding, or receiving, reward or remuneration for holding, any office or employment held by him, or
(iii) he shall for more than six consecutive months have been absent without consent of the directors from meetings of directors at which he is entitled to be held during that period and the directors resolve that his office be vacated.

REMUNERATION OF DIRECTORS

80. Subject to the provisions of the Act, the directors or any general meeting of the company or in such manner as is otherwise provided in the articles, the remuneration shall be determined to accrue from day to day.

DIRECTORS' EXPENSES

83. The directors shall have power to incur in connection with their attendance at meetings of directors or in connection with the holding, conducting or attendance at meetings or at any other meetings or at any meetings of committees of directors. The directors may pay to or reimburse any person for the payment or remuneration of the directors.

84. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or at the request of the company and may enter into an agreement or arrangement with any director for the employment of the director from time to time and for the services which he is to render to the company. Any such agreement, appointment or arrangement shall be made only on terms which the directors determine and they shall remunerate any such director or directors as they think fit. Subject to any conditions that may be imposed by any regulations, no class of shareholders or of debenture holders of the company or otherwise in connection with the discharge of their duties.

DIRECTORS' GRATUITIES AND PENSIONS

87. The directors or members of the company, whether by the payment of gratuities or pensions or by insurance or otherwise, for any purpose, shall not hold any office or place of trust or any other office or employment with the company or with any other body corporate which it may from time to time create for the purpose of benefitting the members of the company in any way.

88. The company or the directors and the secretary shall give notice of a meeting to a director who is absent from the United Kingdom, Questions arising at such a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a casting vote. A director who is also an alternate director shall be entitled to the absence of his appointor to a separate director meeting which may be held by his own vote.

89. The quorum 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 person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

90. The continuing directors or a sole continuing director may act notwithstanding any vacancies in the board of directors if the number of directors is less than the number fixed as the quorum, the continuing directors or director
may act only for the purpose of filing vacancies or of calling a general meeting.

91. The directors may appoint one of their number to be the chairman of the board of directors, and such chairman or any other director or manager appointed by the board, may be present at any meeting of the directors at which he is present, and shall have as much power and authority, in his capacity, as if he were a director of the company, to act and vote at such meeting, and shall be the chairman of any such meeting at which he is present; but if it is not convenient for the chairman to act, or if he declines to act, the person present at the meeting who is the nearest in seniority to the chairman shall act as chairman of the meeting. The chairman of a meeting of directors shall in all cases preside at such meeting; but if it is not convenient for the chairman to act, or if he declines to act, the person present at the meeting who is the nearest in seniority to the chairman shall act as chairman of the meeting.

92. All acts done by a meeting of directors, or of a committee of directors, or of a person appointed by the directors for that purpose, shall be valid and sufficient, if it be proved that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or removed from office in the meantime, if the act was done by the number of directors or committee of directors capable of doing the act, that was present at the meeting and was not disqualified or removed from office at the time of the meeting.

93. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effective as though it had been passed at a meeting of the directors or committee of directors held at a particular time and place.

94. Every resolution of directors or committee of directors shall be deemed to be a committee of directors duly convened and held and may consist of such number of directors or committee members as the directors may appoint; and every resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director.

95. Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or at any meeting of any committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and substantial in relation to the matter of the resolution, unless he has marked his vote in the minutes of the meeting or has first notified the chairman of the meeting, in writing, that he has an interest or duty in respect of the matter of the resolution.

96. By the holder of a guarantee, security, or indemnity in respect of an obligation of the company or of any of its subsidiaries for which the director has assumed responsibility in whole or in part, and whether alone or jointly with others under a guarantee or indemnity or by any other means of security.

97. The interest arises by virtue of his subscribing or agreeing to subscribe for or underwriting or sub-underwriting for or on behalf of the company any shares, debentures, or other securities for the company, or of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities for the company, or of his being, or intending to become, a subscriber for the company of any subscription, purchase, or exchange certificate, or of his being a member of any trusteed retirement benefit scheme which has been approved, or is conditioned upon approval, by the Board of Inland Revenue for taxation purposes.

98. By any other person in whose opinion, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof in force when the regulations relating thereto are in force) the holder of a guarantee, security, or indemnity in respect of an obligation of the company or of any of its subsidiaries for which the director has assumed responsibility in whole or in part, and whether alone or jointly with others under a guarantee or indemnity or by any other means of security.

99. The interest arises by virtue of his subscribing or agreeing to subscribe for or underwriting or sub-underwriting for or on behalf of the company any shares, debentures, or other securities for the company, or of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities for the company, or of his being, or intending to become, a subscriber for the company of any subscription, purchase, or exchange certificate, or of his being a member of any trusteed retirement benefit scheme which has been approved, or is conditioned upon approval, by the Board of Inland Revenue for taxation purposes.

100. The directors shall cause minutes to be made in books kept for the purposes of meetings. Any resolution at any meeting of the company of any class of shares in the company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

101. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may direct that the use of the seal be accompanied with any certificate or the seal shall be impressed with any seal or seals of any description, or impressed with any Impress using any material, or impressed with any seal or seals of any description, authorized by the directors for any purpose for which they may be so impressed.

102. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any period or years of the period in which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

103. A general meeting declaring a dividend may, upon the recommendation of the directors or upon any other grounds, declare a dividend in such proportion as shall be satisfactory to the shareholders, and may, in any case, declare a dividend in respect of any class of shares or any particular distribution of assets and, where any difficulty arises in regard to the distribution, the directors may, with the consent of the company, appoint two or more persons to be the arbitrators in respect of any such particular distribution of assets and, if the arbitrators shall, and the company shall, fix the value for distribution of any assets and may determine that cash shall be paid to all member upon the footing of the value so fixed, in order to adjust any claims and demands made by any member or other person hold of or to the company, the arbitrators may, and the company shall, pay such cash to any member or other person held of or to the company.

104. Any dividend or other moneys payable in respect of a share may be paid by cheque sent post to the registered address of the person entitled thereto or to two or more persons who are the holders of the shares or are jointly entitled to it by reason of the death of the holder of the shares or by reason of any arrangement which may be made with the company, that one of those persons who is first named in the register of members of the company shall be the person to whom the dividend shall be paid or the person entitled to receive the dividend or the cheques; and in the case of an undivided dividend, every such dividend shall be payable to the order of the person or persons entitled thereto or to two or more persons who are the holders of the shares or are jointly entitled to it by reason of the death of the holder of the shares or by reason of any arrangement which may be made with the company.

105. No dividend or other moneys payable in respect of a share shall bear interest against the company unless otherwise provided by the rights attached to the share.

106. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

ACCOUNTS

107. The members shall at such intervals as are specified by the company in each of its articles of association make a full and true account of the state of the company and its transactions and the profits and losses of the company. Such accounts shall be kept by the company and shall be audited by auditors, and shall be laid before the company in general meeting at such meetings as the members of the company may determine.

CAPITALISATION OF PROFITS

108. The directors may with the authority of an ordinary resolution of the company—

(a) subject as hereinafter provided, resolve to capitalise any undivided profits of the company not required for paying any preferential dividend (wherever not or not they are avoided by any provision of this Act) out of any shares, debentures, or other securities for the company, and may either give credit of the company's share premium account or capital redemption reserve, or (b) appropriate the sum resolved to be capitalised to the members who would have been entitled thereto if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, if they have not been paid up, in respect of such shares, debentures, or other securities, as they are entitled to be paid up in respect of such shares, debentures, or other securities, or (c) make such provision by the issue of fractional certificates or by paying in cash or other proportions of payment to those members of the company or the holders of debentures becoming distributable under this regulation in fractions; and the company may, and shall, if so directed in writing by the majority of the members who are entitled to vote at the meeting and in that case the chairman of the meeting and his rules in relation to any director other than himself shall be final and conclusive.

SECRETARY

109. Subject to the provisions of the Act, the secretary shall be appointed by the members of the company at any general meeting and may, at any time thereafter, be removed by the directors or by the members of the company acting with the authority of an ordinary resolution of the committee of directors.

MINUTES

110. The directors shall cause minutes to be made in books kept for the purposes—

(a) of all proceedings at meetings of the company, of the directors, and of committees of directors, including the names of the directors present at each such meeting.

THE SEAL

111. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may direct that the use of the seal be accompanied with any certificate or the seal shall be impressed with any seal or seals of any description, or impressed with any Impress using any material, or impressed with any seal or seals of any description, authorized by the directors for any purpose for which they may be so impressed.

DIVIDENDS

112. Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors for such dividend, or agreed to at such preceding meeting of the company as the meeting at which the dividend is paid.