

1790291

THE COMPANIES ACT 1985

A PUBLIC COMPANY LIMITED
BY SHARES

ARTICLES OF ASSOCIATION

of

SAUR WATER SERVICES PLC

PRELIMINARY



1. The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Table A to F) (Amendment) Regulations 1985 (such Table being hereinafter referred to as "Table A") shall apply to the Company save in so far as they are excluded or varied hereby; that is to say, Clause 8, 64, 73 to 76, 79, 80 of Table A shall not apply to the Company; and in addition to the remaining Clauses of Table A, as varied hereby, the following shall be the Articles of Association of the Company.
2. The Company shall have a first and paramount lien on every Share (whether or not it is a fully paid Share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that Share and the Company shall also have a first and paramount lien on all Shares (whether fully paid or not) standing registered in the name of any person whether solely or as one of two or more joint holders for all moneys presently payable by

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him or his estate to the Company; but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share shall extend to any dividend or other amount payable in respect thereof.

GENERAL MEETINGS

3. A notice convening a General Meeting shall in the case of special business specify the general nature of the business to be transacted; and Clause 38 of Table A shall be modified accordingly.
4. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, the election of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the Auditors.
5. Clause 41 of Table A shall be read and construed as if the last sentence ended with the words "and if at the adjourned Meeting a quorum is not present within half an hour from the time appointed for the Meeting, the Meeting shall be dissolved".
6. It shall not be necessary to give any notice of an adjourned meeting and Clause 45 of Table A shall be construed accordingly.

DIRECTORS

7. The minimum number of directors shall be two and unless and until the Company in General Meeting shall otherwise determine there shall be no maximum number of Directors.

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8. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and to issue Debentures, Debenture Stock, and other Securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
9. A Director may vote as a Director on any resolution concerning any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration; and Clause 94 of Table A shall be modified accordingly.
10. The Directors may appoint a person who is willing to act to be a Director, provided that the appointment does not cause the number of Directors to exceed the maximum number (if any) for the time being in force.

INDEMNITY

11. Subject to the provisions of the Act and in addition to such indemnity as is contained in Clause 118 of Table A, every Director, officer or official of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him in or about the execution and discharge of the duties of his office.

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