

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

NHBC BUILDING CONTROL SERVICES LIMITED

Company number 1952969

INCORPORATED ON 14 OCTOBER 1985

AS AMENDED BY SPECIAL RESOLUTIONS PASSED UP TO 19 July 2001



ARTICLES OF ASSOCIATION

Of

NHBC BUILDING CONTROL SERVICES LIMITED

I Interpretation

In these Articles I to IX inclusive:

"the regulations" means the regulations annexed hereto being in substantially the form of Table A prescribed by the Companies (Tables A to F) Regulation 1985 (as amended).

"the Special Articles" means these Articles I to IX inclusive and a reference to any "Special Article" shall be construed accordingly

and all other words and phrases shall bear the meaning ascribed to them in the regulations.

II The Articles

The articles of the Company shall be the regulations amended by the Special Articles. In the event of any conflict between the regulations and the Special Articles, the Special Articles shall prevail.

III Appointment of Directors

- (A) The number of Directors shall not be less than two nor more than eight. Regulation 64 shall not apply.

- (B) The persons from time to time occupying the following offices in the National House Building Council shall whilst they hold office as a Director of the National House Building Council or whilst they are employed by the Council as the case may be be directors of the Company:
- (i) one of the directors of the National House Building Council chosen by the Directors of the Council,
 - (ii) the Chief Executive,
 - (iii) the Commercial Director,
 - (iv) the General Manager, Building Control and Inspection,
- (C) In the event that the titles of those Directors listed in sub-paragraphs (ii) to (iv) above change one of those persons whose duties most closely approximate to those now carried out by those Directors may be appointed under this Article III.
- (D) Up to four other persons appointed by the Board as Directors of the Company.
- (E) The Directors holding office at the date of adoption of these articles being 19 July 2001 will continue in office subject to the provisions of these Articles but, for the purposes of Directors periods of office in Special Article IV, each Director shall be deemed to have been appointed on the date that he was actually appointed and Special Article IV will apply accordingly.
- (F) There shall be no power to appoint Alternate Directors. Regulations 65 to 69 inclusive shall not apply.

IV Directors Term of Office

- (A) The period of office of Directors continuing in office or appointed under paragraph (D) of Special Article III shall in the first instance be three years but such period of office may be extended by and at the

discretion of the Board of Directors for further periods not exceeding three years subject always to continuing eligibility to hold such office under these Articles.

- (B) The Directors need not retire by rotation and Regulations 70 to 80 inclusive shall not apply.

V Vacancies in the Board

The continuing Directors may act notwithstanding any vacancy but if at any time the number of Directors shall fall below the minimum number fixed by or pursuant to these Special Articles and if the vacancy or vacancies thereby arising shall not be filled by appointment pursuant to paragraph (B) of Special Article III within fourteen days, the continuing Director or Directors shall make such appointments as shall be necessary to restore the number of Directors to the prescribed minimum, but so that the person or persons so appointed shall be entitled to hold office only until director or directors are appointed in the manner provided in Special Article III. Regulation 90 shall not apply.

VI Quorum for Meeting of Directors and Chairman's casting vote

The quorum shall be three Directors The first sentence of regulation 89 shall not apply.

In the event of equality of votes at a meeting of the Directors the Chairman shall have a second or casting vote. Regulation 91 is amended accordingly.

VII The Secretary

Subject to the provisions of the Act, the secretary shall be appointed by the Board of Directors of the National House Building Council. Regulation 99 shall not apply.

VIII Allotment of Shares

- (A) Shares (other than subscriber shares) which are comprised in the authorised share capital with which the Company was incorporated shall be under the control of the Directors who may (subject to paragraph (D) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- (B) (i) Unless the Company shall by special resolution otherwise direct all shares which are not comprised in the authorised share capital with which the Company is incorporated and which the Directors propose to issue shall first be offered to the existing members in proportion as nearly as may be to the number of the existing shares held by them respectively. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer.
- (ii) Any shares not accepted pursuant to the offers referred to in sub-paragraph (i) or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by such Special Resolution as aforesaid shall be under the control of the Directors, who may (subject to paragraph (D) below) allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the

subscribers therefor than the terms of which they were offered to the existing members.

- (C) In accordance with Section 91 of the Act Section 89(1) Section 90(1) to (5) and Section 90(6) of the Act shall not apply to the Company.
- (D) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by ordinary resolution.