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COMPANIES FORM No. 12

12**Statutory Declaration of compliance
with requirements on application
for registration of a company**Please do not
write in
this margin

Pursuant to section 12(3) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use For official use

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2366661

Name of company

*THAMES WATER UTILITIES LIMITED

* insert full
name of Company

I, SARAH ANN BADBY

of Clifford Chance, Royex House, Aldermanbury Square, London EC2V 7LD

† delete as
appropriate

do solemnly and sincerely declare that I am a ~~Solicitor~~ engaged in the formation of the company ~~†~~
~~† person named as director or secretary of the company in the statement delivered to the registrar under~~
~~section 10(2)†~~ and that all the requirements of the above Act in respect of the registration of the above
company and of matters precedent and incidental to it have been complied with,

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835

Declared at Clifford Chance
Royex House, Aldermanbury Square,
London EC2V 7LD

Declarant to sign below

the sixteenth day of MarchOne thousand nine hundred and Eighty-ninebefore me P. T. COLDWELL

A ~~Commissioner for Oaths~~ or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for Oaths.

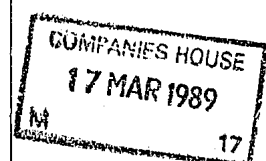
Presenter's name address and
reference (if any):

Clifford Chance
Royex House
Aldermanbury Square
London EC2V 7LD

Ref: DRC.468/SAB

For official Use
New Companies Section

Post room



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COMPANIES FORM No. 10

10

**Statement of first directors
and secretary and intended
situation of registered office**

Please do not
write in
this margin

Pursuant to section 10 of the Companies Act 1985

To the Registrar of Companies

Please complete
legibly, preferably
in black type, or
bold block lettering

For official use

Name of company

* insert full name
of company

* THAMES WATER UTILITIES LIMITED

The intended situation of the registered office of the company on incorporation is as stated below

ROYEX HOUSE	
ALDERMANBURY SQUARE	
LONDON	Postcode EC2V 7LD

If the memorandum is delivered by an agent for the subscribers of the memorandum please mark 'X' in the box opposite and insert the agent's name and address below

X

Clifford Chance	
Royex House, Aldermanbury Square	
London	Postcode EC2V 7LD

Number of continuation sheets attached (see note 1)

Presentor's name address and
reference (if any):

Clifford Chance
Royex House
Aldermanbury Square
London EC2V 7LD

DRC.468/SAB

For official Use
General Section

Post room



The name(s) and particulars of the person who is, or the persons who are, to be the first director or directors of the company (note 2) are as follows:

Please do not write in this margin

Name (note 3) <u>JOHN ANCUS LIVINGSTON GUNN</u>		Business occupation <u>CIVIL SERVANT</u>
Previous name(s) (note 3) <u>NONE</u>		Nationality <u>BRITISH</u>
Address (note 4) <u>108 Westcombe Park Road</u> <u>Blackheath, London</u>		Date of birth (where applicable) (note 6) <u>20 November 1934</u>
	Postcode <u>SE3 7RZ</u>	
Other directorships † <u>None</u>		
I consent to act as director of the company named on page 1		
Signature <u>John A.C. Gunn</u>		Date <u>16th March 1989</u>

† enter particulars of other directorships held or previously held (see note 5) if this space is insufficient use a continuation sheet.

Name (note 3) <u>ANDREW DONARD WHETNALL</u>		Business occupation <u>CIVIL SERVANT</u>
Previous name(s) (note 3)		Nationality <u>BRITISH</u>
Address (note 4) <u>28 Hendham Road</u>		Date of birth (where applicable) (note 6) <u>18 May 1948</u>
	Postcode <u>SW17 7DQ</u>	
Other directorships † <u>None</u>		
I consent to act as director of the company named on page 1		
Signature <u>Andrew Donard Whetnall</u>		Date <u>16th March 1989</u>

Name (note 3)		Business occupation
Previous name(s) (note 3)		Nationality
Address (note 4)		Date of birth (where applicable) (note 6)
	Postcode	
Other directorships †		
I consent to act as director of the company named on page 1		
Signature		Date

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

The name(s) and particulars of the person who is, or the persons who are, to be the first secretary, or joint secretaries, of the company are as follows:

Name (notes 3 & 7) LEGIBUS SECRETARIES LIMITED	
Previous name(s) (note 3)	
Address (notes 4 & 7) Royex House, Aldermanbury Square, London	
Postcode EC2V 7LD	
I consent to act as secretary of the company named on page 1 <i>For and on behalf of LEGIBUS SECRETARIES LTD</i>	
Signature J. Samuel	Date 16.3.89
<i>Authorised Signatory</i>	

Name (notes 3 & 7)	
Previous name(s) (note 3)	
Address (notes 4 & 7)	
Postcode	
I consent to act as secretary of the company named on page 1	
Signature	Date

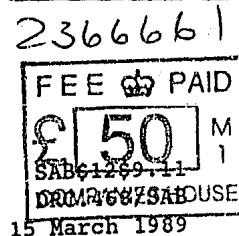
delete if the form is
signed by the subscribers

Signature of agent on behalf of subscribers	Date
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delete if the form is
signed by an agent on
behalf of the subscribers

All the subscribers
must sign either
personally or by a
person or persons
authorised to sign
for them.

Signed J. Samuel	Date 16.3.89
Signed FOR AND ON BEHALF OF LEGIBUS SECRETARIES LTD	Date
Signed ellie	Date 16.3.89
Signed FOR AND ON BEHALF OF LEGIBUS NOMINEES LTD	Date
Signed	Date
Signed	Date



THE COMPANIES ACT 1985

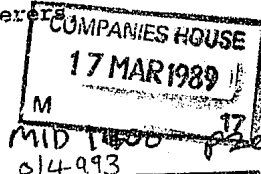
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

- of -

THAMES WATER UTILITIES LIMITED

1. The Company's name is "THAMES WATER UTILITIES LIMITED".
2. The Company's registered office is to be situated in England.
3. The Company's objects are:
 - (A) (i) To carry on business as water undertakers, sewerage undertakers, manufacturers, builders and suppliers of and dealers in goods of all kinds, and as mechanical, general, electrical, marine, radio, electronic, aeronautical, chemical, petroleum, gas civil and constructional engineers, and manufacturers, importers and exporters of, dealers in machinery, plant and equipment of all descriptions and component parts thereof, forgings, castings, tools, implements, apparatus and all other articles and things.
 - (ii) To act as an investment holding company and to co-ordinate the business of any companies in which the Company is for the time being interested, and to acquire (whether by original subscription, tender, purchase exchange or otherwise) the whole of or any part of the stock, shares, debentures, debenture stocks, bonds and other securities issued or guaranteed by a body corporate constituted or carrying on business in any part of the world or by any government, sovereign ruler, commissioners, public body or authority and to hold the same as investments, and to sell, exchange, carry and dispose of the same.
 - (iii) To carry on the businesses in any part of the world as importers, exporters, buyers, sellers, distributors and dealers and to win, process and work produce of all kinds.
- (B) To carry on the following businesses, namely, contractors, garage proprietors, filling station proprietors, owners and charterers of road vehicles, aircraft and ships and boats of every description, lightermen and carriers of goods and passengers by road, rail, water or air, forwarding, transport and commission agents, customs agents, stevedores, wharfingers, cargo superintendents, packers, warehouse storekeepers, cold store keepers, hotel proprietors, caterers



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publicans, consultants, advisers, financiers, bankers, advertising agents, insurance brokers, travel agents, ticket agents and agency business of all kinds and generally to provide entertainment for and render services of all kinds to others and to carry on any other trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or as auxiliary to the general business of the Company or any other trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or as auxiliary to the general business of the Company.

- (C) To buy, sell, manufacture, repair, alter, improve, manipulate, prepare for market, let on hire, and generally deal in all kinds of plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things for the purpose of any of the businesses specified herein, or likely to be required by customers or other persons having, or about to have, dealings with the Company.
- (D) To build, construct, maintain, alter, enlarge, pull down and remove or replace any buildings, shops, factories, offices, works, machinery, engines and to clear sites for the same or to join with any person, firm or company in doing any of the things aforesaid and to work, manage and control the same or join with others in so doing.
- (E) To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company of any of the objects for which the Company is formed.
- (F) To acquire, undertake and carry on the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on or possess, or which may seem to the Company capable of being conveniently carried on or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights, or any property suitable for the purposes of the Company.
- (G) To enter into any arrangements with any Government or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such Government or authority any rights, privileges, and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (H) To apply for, or join in applying for, 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, registered 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 and testing and making researches, and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (I) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession, or otherwise with any company, or with any employees of the

Company, including in such case if thought fit the conferring of a participation in the management or its directorate, or with any company carrying on or engaged in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company, and to give to any company special rights or privileges in connection with or control over this Company, and in particular the right to nominate one or more Directors of this Company. And to lend money to, guarantee the contracts of, or otherwise assist any such company, and to take or otherwise acquire shares or securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.

- (J) To subsidise, and assist any persons or companies and to act as agents for the collection, receipt or payment of money and generally to act as agents for and render services to customers and others.
- (K) Either with or without the Company receiving any consideration or advantage, direct or indirect, from giving any such guarantee, to guarantee or otherwise provide security by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets present and future and uncalled capital or by both such methods or by any other means whatsoever the performance of the obligations and the payment of any moneys (including but not limited to capital or principal, premiums, dividends or interest, commissions, charges, discount and any costs or expenses relating thereto whether on any stocks, shares or securities or in any other manner whatsoever) by any company, firm or person including but not limited to any company which is for the time being the Company's holding company as defined by Section 736 of the Companies Act, 1985 or a subsidiary of the Company or of the Company's holding company as so defined or any company, firm or person who is for the time being a member or otherwise has any interest in the Company or is associated with the Company in any business or venture or any other person firm or company whatsoever. A guarantee shall also include any other obligation (whatever called) to pay, purchase, provide funds (whether by advance of money the purchase of or the subscription of shares or other securities, the purchase of assets or services, or otherwise) for the payment of or to indemnify against the consequences of default in the payment of or otherwise be responsible for any indebtedness of any other company firm or person.
- (L) To promote any company for the purpose of acquiring all or any of the property and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (M) To pay out of the funds of the Company all expenses which the Company may lawfully pay of or incident to the formation, registration and advertising of or raising money for the Company, and the issue of its capital, or for contributing to or assisting any company either issuing or purchasing with a view to issue all or any part of the Company's capital in connection with the advertising or offering the same for sale or subscription, including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or debenture stock.
- (N) To remunerate any person, firm or company rendering service to the Company whether by cash payment or by the allotment to him or them of shares or securities of the Company credited as fully paid up in full or in part or otherwise.

- (O) Generally to purchase, take on lease or exchange, hire, or otherwise acquire any real or personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business.
- (P) To receive money on deposit upon such terms as the Company may approve.
- (Q) To invest and deal with the moneys of the Company in such manner as may from time to time be determined.
- (R) To lend money with or without security, but not to carry on the business of a registered money lender.
- (S) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future), including its uncalled capital, and to purchase, redeem or pay off any such securities.
- (T) To remunerate any company for services rendered or to be rendered, in placing, or assisting to place, or guaranteeing the placing or procuring the underwriting of any of the shares or debentures, or other securities of the Company or of any company in which this Company may be interested or propose to be interested, or in or about the conduct of the business of the Company, whether by cash payment or by the allotment of shares, or securities of the Company credited as paid up in full or in part, or otherwise.
- (U) To subscribe for either absolutely or conditionally or otherwise acquire and hold shares, stocks, debentures, debenture stock or other obligations of any other company having objects altogether or in part similar to those of this Company.
- (V) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrants, debentures and other negotiable and transferable instruments.
- (W) To sell, lease, exchange, let on hire, or dispose of any real or personal property or the undertaking of the Company, or any part or parts thereof, for such consideration as the Company may think fit, and, in particular, for shares whether fully or partly paid up, debentures or securities of any other company, whether or not having objects altogether, or in part, similar to those of the Company, and to hold and retain any shares, debentures or securities so acquired, and to improve, manage, develop, sell, exchange, lease, mortgage, dispose of or turn to account or otherwise deal with all or any part of the property or rights of the Company.
- (X) To adopt such means of making known the businesses and products of the Company as may seem expedient, and in particular by advertising in the Press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (Y) To support, subscribe or contribute to any charitable or public object and any institution, society or club which may be for the benefit of the Company or its Directors, officers or employees, or the Directors,

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officers and employees of its predecessors in business or of any subsidiary, allied or associated company, or which may be connected with any town or place where the Company carries on business and to subsidise or assist any association of employers or employees or any trade association. To give pensions, gratuities, annuities or charitable aid to any person (including any Directors or former Directors) who may have served the Company or its predecessors in business or any subsidiary, allied or associated company or to the wives, children or other dependents or relatives of such persons, to make advance provision for the payment of such pensions, gratuities or annuities as aforesaid by establishing or acceding to such trusts schemes or arrangements (whether or not capable of approval by the Commissioners of Inland Revenue under any relevant legislation for the time being in force) as may seem expedient, to appoint trustees or to act as trustee of any such schemes or arrangements.

- (Z) To establish and contribute to any scheme for the purchase or subscription by trustees of shares in the Company to be held for the benefit of the Company's employees, and to lend money to the Company's employees to enable them to purchase or subscribe for shares in the Company and to formulate and carry into effect any scheme for sharing the profits of the Company with employees or any of them.
- (AA) To obtain any Provisional Order or Act of Parliament for enabling the Company to carry any of its objects into effect or for effecting any modifications of the Company's constitution or for any other purposes which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (BB) To establish, grant and take up agencies in any part of the world, and to do all such other things as the Company may deem conducive to the carrying on of the Company's business, either as principals, or agents, and to remunerate any persons in connection with the establishment or granting of such agencies upon such terms and conditions as the Company may think fit.
- (CC) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others and to procure the Company to be registered or recognised in any foreign country or place.
- (DD) To distribute any of the property of the Company in specie among the shareholders.
- (EE) To amalgamate with any other company having objects altogether or in part similar to those of this Company.
- (FF) To do all such other things as are incidental or conducive to the attainment of the above objects, or any of them.

And it is hereby declared that the word "company" in this Clause shall be deemed to include any person or partnership or other body of persons whether domiciled in the United Kingdom or elsewhere, and words denoting the singular number only shall include the plural number and vice versa, and so that the objects specified in each paragraph of this Clause shall, except where otherwise expressed in such paragraph, be regarded as independent

objects, and in nowise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The liability of the Members is limited. ✓
5. The Company's Share Capital is £100 divided into 100 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

J Samuels.

one

JACQUELINE SAMUELS
For and on behalf of
Legibus Secretaries Limited
Royex House
Aldermanbury Square
London EC2V 7LD

ONE

ll

One

CHRISTINE ANNE LEE
For and on behalf of
Legibus Nominees Limited
Royex House
Aldermanbury Square
London EC2V 7LD

ONE

Total shares taken: TWO

DATED the 16th day of March, 1989. /

WITNESS to all the above Signatures:-

DENISE WARD
Royex House
Aldermanbury Square
London EC2V 7LD

Denward.

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

THAMES WATER UTILITIES LIMITED

PRELIMINARY.

1. (A) In these Articles "Table A" means Table A in the Schedule to the Companies (Table A to F) Regulations 1985 and "the Act" means the Companies Act, 1985 including any statutory modification or re-enactment thereof for the time being in force.

(B) The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The Regulations of Table A numbered 2, 3, 24, 41, 65, 66, 67, 68, 69, 73, 74, 75, 76, 77, 78, 80, 81, 94, 95, 96, 97, 98, 110 and 118 shall not apply, but, subject as aforesaid, and in addition to the remaining Regulations of Table A the following shall be the Articles of Association of the Company.

PRIVATE COMPANY.

2. The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

SHARES.

3. The share capital of the Company is £100 divided into 100 shares of £1 each.

4. (A) The Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities or other shares of the Company to such persons, at such times and generally on such terms and conditions and carrying such rights or being subject to such restrictions as the Directors may determine. The authority hereby conferred shall, subject to Section 80(7) of the Act, be for a period of five years from the date of incorporation unless renewed, varied or revoked by the Company in General Meeting, and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be the authorised but as yet unissued share capital of the Company at the date of adoption of these Articles, or where the authority is renewed at the date of renewal.

(B) The Directors shall be entitled under the authority conferred by sub-paragraph (A) of this Article or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority.

5. The pre-emption provisions of sub-section (1) of Section 89 of the Act and the provisions of sub-sections (1) to (6) inclusive of Section 90 of the Act shall not apply to any allotment of the Company's equity securities.

6. The lien conferred by Regulation 8 of Table A shall attach to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of two or more joint holders and shall extend to all moneys presently payable by him or his estate to the Company.

7. Subject to the provisions of the Act, any shares in the capital of the Company may be issued on the terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.

NOTICES.

8. Every notice calling a General Meeting shall comply with the provisions of Section 372(3) of the Act, as to giving information to Members in regard to their right to appoint proxies, and all notices and other communications relating to a General Meeting which any Member is entitled to receive shall also be sent to the Auditor for the time being of the Company.

TRANSFERS.

9. The Directors may in their absolute discretion and without assigning any reason therefor decline to register any transfer of any share, whether or not it is a fully paid share.

PROCEEDINGS AT GENERAL MEETINGS.

10. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine, 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.

11. It shall not be necessary to give any notice of an adjourned meeting and Regulation 45 of Table A shall be construed accordingly.

12. A poll may be demanded by the Chairman or by any Member present in person or by proxy and entitled to vote and Regulation 46 of Table A shall be modified accordingly.

13. Subject to any rights or restrictions attached to any shares, on a show of hands every Member who is present in person or by a duly authorised representative, not being himself a Member entitled to vote, shall have one vote and on a poll every Member shall have one vote for every share of which he is the holder.

14. Any Corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or

of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the Corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

VOTES OF MEMBERS.

15. Evidence of the fact that a proxy is duly appointed may be accepted by the Directors less than 48 hours before the time appointed for the meeting but this power shall not prevent the Directors from requiring that 48 hours notice be given in any given case; and Regulation 61 of Table A shall be construed accordingly.

DIRECTORS.

16. A Director need not hold any shares of the Company to qualify him as a Director but he shall be entitled to receive notice of and attend at all General Meetings of the Company and at all separate General Meetings of the holders of any class of shares in the capital of the Company and Regulation 38 of Table A shall be modified accordingly.

17. If any Director shall be called upon to perform extra services or to make special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by a resolution passed at a Board Meeting of the Directors of the Company, and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a Director.

18. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and subject to Section 80 of the Act, to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.

19. Without prejudice to the obligation of any Director to disclose his interest in accordance with Section 317 of the Act a Director may vote as a Director in regard to any contract, transaction or arrangement in which he is interested, or upon any matter arising thereout, and if he does so vote his vote shall be counted and he shall be reckoned in calculating a quorum when any such contract transaction or arrangement is under consideration.

20. The office of Director shall be vacated if the Director

(a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(b) becomes disqualified from being a Director by reason of any order made under the Company Directors Disqualification Act 1986 or is otherwise so prohibited or disqualified under any statutory provision for the time being in force; or

(c) in the opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director; or

(d) subject as hereinafter provided resigns his office by notice in writing to the Company.

21. The Company may by Ordinary Resolution of which special notice has been given in accordance with Section 379 of the Act remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

22. Without prejudice to the powers of the Directors under Regulation 79 of Table A 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.

23. A Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment and the last two sentences of Regulation 79 of Table A shall be deleted.

24. The holder or holders of a majority in nominal value of such part of the issued share capital of the Company as confers the right for the time being to attend and vote at general meetings of the Company may at any time or from time to time by memorandum in writing signed by or on behalf of him or them and left at or sent to the Registered Office of the Company remove any Director from office or appoint any person to be a Director. Such removal or appointment shall take effect forthwith upon delivery of the memorandum to the Registered Office of the Company or on such later date (if any) as may be specified therein.

25. (A) Any Director may by writing under his hand appoint (1) any other Director, or (2) any other person who is approved by the Board of Directors as hereinafter provided to be his alternate; and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and, in the absence from the Board of the Director appointing him, to attend and vote at meetings of the Directors, and to exercise all the powers, rights, duties and authorities of the Director appointing him: Provided always that no such appointment of a person other than a Director shall be operative unless and until the approval of the Directors by a majority consisting of not less than two-thirds of all the Directors shall have been given and entered in the Directors' Minute Book. A Director may at any time revoke the appointment of an alternate appointed by him, and, subject to such approval as aforesaid, appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present.

(B) Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate and the Director appointing him.

26. No person shall be or become incapable of being appointed a Director by reason only of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no Director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age.

27. The Directors may from time to time appoint one or more of their body to hold any executive office in the management of the business of the Company including the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director as the Directors may decide such appointment being (subject to Section 319 of the Act, if applicable) for such fixed term or without limitation as to period and on such terms as they think fit and a Director appointed to any executive office shall (without prejudice to any claim for damages for breach of any service contract between him and the Company) if he ceases to hold the office of Director from any cause ipso facto and immediately cease to hold such executive office.

28. A Director holding such executive office as aforesaid for a fixed period shall not be entitled to resign as a Director of the Company and Article 20(d) hereof shall be interpreted accordingly.

29. The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be one. Whensoever the minimum number of Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the Directors generally, and Regulation 89 of Table A shall be modified accordingly.

THE SEAL.

30. The Directors or a committee of Directors authorised by the Directors may by telephone or telex communication or by facsimile reproduction authorise the Secretary or any Director to use the Seal and the transmission of such authority shall constitute a determination in such case that the Secretary or the named Director alone may sign any instrument to which the Seal is to be affixed pursuant to that authority, and Regulation 101 of Table A shall be modified accordingly.

RESERVES.

31. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

CAPITALISATION OF PROFITS.

32. The Directors may with the authority of an Ordinary Resolution:-

(a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve), or any sum standing to the credit of the Company's share premium account or capital redemption reserve fund;

(b) appropriate the profits or sum resolved to be capitalised to the Members in proportion to the nominal amount of the ordinary share capital (whether or not fully paid) held by them respectively, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such Members, or as they may direct, in the proportion aforesaid, or partly in one way and partly in the other: provided that the share premium account and the capital redemption reserve fund and any such profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members credited as fully paid;

(c) resolve that any shares allotted under this Article 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 dividends only to the extent that such partly paid Ordinary Shares rank for dividend;

(d) make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Directors think fit for the case of shares or debentures becoming distributable under this Article 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 up, of any shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of the profits or sum so resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on shares held by them respectively any agreement made under such authority being thereupon effective and binding on all such Members; and

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

PROVISION FOR EMPLOYEES.

33. The Company shall exercise the power conferred upon it by Section 719 of the Act only with the prior sanction of a Special Resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require the prior consent in writing of the holders of three-fourths in nominal value of the issued shares of each class or the prior sanction of an extraordinary resolution passed at a separate meeting of the

holders of the shares of each class convened and held in accordance with the provisions of Section 125 of the Act.

INDEMNITIES.

34. Every Director, Managing Director, agent, auditor, secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings relating to his conduct as an officer of the Company, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the court.

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NAMES AND ADDRESSES OF SUBSCRIBERS

Samuels.

JACQUELINE SAMUELS
For and on behalf of
Legibus Secretaries Limited
Royex House
Aldermanbury Square
London EC2V 7LD

[Signature]

CHRISTINE ANNE LEE
For and on behalf of
Legibus Nominees Limited
Royex House
Aldermanbury Square
London EC2V 7LD

DATED this 16th day of March, 1989.

WITNESS to the above Signatures:-

Denise Ward
Royex House
Aldermanbury Square
London EC2V 7LD

Ward.

FILE COPY



**CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY**

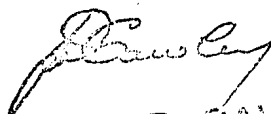
No. 2366661

I hereby certify that

THAMES WATER UTILITIES LIMITED

is this day incorporated under the Companies Act 1985 as
a private company and that the Company is limited.

Given under my hand at the Companies Registration Office,
Cardiff the 1 APRIL 1989


MR. J. D. CAWLEY

an authorised officer

HC007B

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Company No. 2366661

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

- of -

THAMES WATER UTILITIES LIMITED

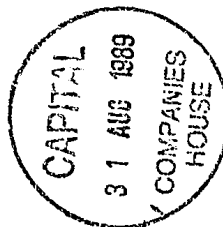
At an EXTRAORDINARY GENERAL MEETING of the Company held at Royex House, Aldermanbury Square, London EC2V 7LD on Tuesday 29th August 1989 the following Resolutions were passed as Special Resolutions:-

RESOLUTIONS

1. THAT: The Memorandum of Association of the Company be altered with respect to its objects by the adoption of new Clauses in the form of the draft annexed hereto and initialled by the Chairman for the purpose of identification in substitution for and to the exclusion of the existing Clauses.

3. THAT: New Articles of Association of the Company in the form of the draft annexed hereto and initialled by the Chairman for the purpose of identification be and are hereby adopted in substitution for and to the exclusion of the existing Articles of Association.

C J Green
.....
Chairman



NDH836Q1.34

Company Number: 2366661

THE COMPANIES ACT 1985

MEMORANDUM AND ARTICLES OF
ASSOCIATION OF

THAMES WATER UTILITIES LIMITED

Incorporated the 1st day of April, 1989

CLIFFORD CHANCE



hjm

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

THAMES WATER UTILITIES LIMITED

1. The Company's name is "THAMES WATER UTILITIES LIMITED".
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:
 - (1) To acquire, take over and assume such of the property, rights and liabilities of Thames Water Authority as are transferred to, and such other interests, rights and liabilities as are created for, the Company by means of a scheme made under the Water Act 1989 and to succeed to, carry on and develop the businesses of that Authority or any part or parts of them.
 - (2) To carry on the business of a water undertaker, whether pursuant to an appointment made under the Water Act 1989 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) To carry on the business of a sewerage undertaker, whether pursuant to an appointment made under the Water Act 1989 or otherwise, including but not limited to the provision, operation, development, maintenance, improvement and extension of a system of public sewers, the removal, treatment and disposal of waste, sewage, sludge and other effluent, and the provision, operation, emptying, cleansing, maintenance, improvement and extension of sewers and drains.

- (4) To do anything which a water undertaker or sewerage undertaker is empowered or required to do under or by virtue of, or under an appointment made under, the Water Act 1989 or any statutory modification or re-enactment of it, or any other enactment, or which is, or is considered by the Directors to be, expedient for such an undertaker to do or which, in the opinion of the Directors, may facilitate or be conducive to or further or supplement the performance or carrying on of any of the functions or activities of such an undertaker.
- (5) To acquire (whether by grant, concession, purchase, lease or otherwise), establish, develop, exploit, operate and maintain licences, concessions, consents, authorisations, rights and entitlements to abstract, extract, obtain, take, use, store, treat, discharge, dump and dispose of water, sewage, other effluent, sludge, waste and other substances of all kinds, and rights and interests of all descriptions in or relating to the same.
- (6) To provide, construct, lay, operate, use, inspect, maintain, improve, enlarge, alter, protect, adopt, connect, disconnect, repair, replace and remove, and to carry out works in respect of, water mains, sewers, drains, pipes, pipelines, and equipment and facilities ancillary to the operation or use of any of them.
- (7) To monitor, inspect, sample, test, analyse, measure and assess the quality, content, wholesomeness, quantity, volume or flow of water, sewage, other effluent and other substances of all kinds, and of supplies and discharges of the same, and to record, prepare, make available and publish information relating to any such activity.
- (8) To install in or locate on any premises, site or place and to operate, use, inspect, read, maintain, repair, replace and remove meters and other devices and equipment for sampling, testing, analysing, measuring and assessing the quality, content, wholesomeness, quantity, volume or flow of water, sewage, other effluent, sludge, waste and other substances of all kinds, and of supplies and discharges of the same.
- (9) To provide, establish, construct, locate, equip, develop, improve, operate, use, manage and maintain abstraction, treatment, distribution, storage and disposal facilities, works and plant, reservoirs, watertowers, tanks, outfalls, weirs, locks, impounding works, filters, boreholes, pumps, pumping stations, hydrants, valves, stopcocks, and apparatus associated with any of the same, laboratories, research stations, refineries, factories, warehouses, depots, offices, shops and other buildings, wharves, jetties, terminals, transport facilities, loading facilities, roads, railways, structures, installations and facilities of all kinds, whether for the purpose of the Company or for sale or hire to, or in return for any consideration from, any person, and to purchase or otherwise acquire, lease, charter and take or let on hire any of the same.
- (10) To further the conservation and enhancement of natural beauty and the conservation of flora, fauna and geological or physiographical features of special interest, and to have regard to the desirability of protecting and conserving, and of maintaining the availability to the public of any facility for visiting or inspecting, any building, site or object of archaeological, architectural or historic interest, and of preserving for the public any freedom of access to areas of woodland, mountains,

moor, heath, down, cliff or foreshore and other places of natural beauty.

- (11) To carry on business as a general commercial company.
- (12) To carry on all or any of the businesses of suppliers, distributors, developers, abstracters, producers, manufacturers, refiners, distillers, processors, treaters, converters, bottlers, packagers, storers, carriers, disposers, incinerators, importers and exporters of, explorers and prospectors for, and dealers in, all kinds of water (including, but not limited to, natural, mineral, spa and bottled water), sewage, other effluent, sludge, waste (including, but not limited to, industrial and domestic waste, and refuse and debris of every description) and products derived from or connected with any of them.
- (13) To carry on all or any of the businesses of suppliers, distributors, designers, developers, manufacturers, assemblers, installers, fitters, repairers, maintainers, importers and exporters of, and dealers in, appliances, equipment, fittings, apparatus, goods, machinery, materials and installations connected with the use of water for domestic, industrial, commercial, recreational or other purposes or with the supply, discharge or conservation of water including without limitation, meters and plumbing, bathroom and sanitary equipment, fittings and materials.
- (14) To carry on all or any of the businesses of inspectors, maintainers, repairers, reconditioners, cleaners, clearers, servicers, coaters, designers, developers, manufacturers, constructors, installers, layers, fitters, hirers, letters on hire, suppliers, distributors, importers and exporters of, and dealers in, mains, sewers, drains, pipes, pipelines, equipment ancillary to the operation or use of any of them, installations and facilities of all kinds, tools and machinery of every description, plumbing, engineering and other equipment, plant, components, accessories and supplies of every description.
- (15) To carry on all or any of the businesses of consultants, advisers and suppliers of management, personnel and training services, whether generally or in respect of one or more of the types of business or activity which the Company has power to carry on, and to provide training and educational courses, instruction and materials, of every description, for employees of the Company and for other persons.
- (16) To carry on all or any of the businesses of, and provide services associated with, plumbers, engineers (including, without limitation, water, sewerage, mechanical, gas, electrical, heating, ventilation, civil construction, chemical and telecommunications engineers), mechanics, technicians, geologists, draughtsmen, designers, surveyors, architects, builders, painters and decorators.
- (17) To carry on all or any of the businesses of suppliers, developers and promoters of recreational, sporting and leisure services, facilities and activities, whether or not connected with the use of water or land associated with water.
- (18) To carry on all or any of the businesses of bankers, financiers, factors, debt collectors, dealers in securities, underwriters, insurers, brokers of any kinds, storage contractors, freight contractors, carriers

by land, water and air of freight and passengers, forwarding agents, shipping agents and agents of any other kind.

- (19) To carry on all or any of the businesses of developers of, and dealers in, property, real or personal, and interests and rights in such property, and of estate agents.
- (20) To carry on all or any of the businesses of running, operating, managing, supplying, servicing, repairing and dealing in:
 - (i) telecommunication systems, systems of other kinds for the conveyance by any means of sounds, visual images and signals; and
 - (ii) data processing and information retrieval systems, computers, computer programs and software, computer bureaux and databases,

and services, facilities and equipment ancillary to, or for use in connection with, any of the same.

- (21) To carry on all or any of the businesses of nurserymen, gardeners, landscapers and funeral undertakers.
- (22) To provide and supply laboratory, scientific, biological, bio-chemical, technological, analytical and environmental services of all kinds.
- (23) To carry on all or any of the businesses of suppliers, distributors, manufacturers, producers, processors, importers and exporters of, and dealers in, chemicals, pharmaceuticals, fertilisers, compost and foodstuffs.
- (24) To carry on business as inventors, researchers and developers, to conduct, promote and commission research and development in connection with the activities of the Company and its subsidiaries, to establish and maintain research stations, laboratories, workshops, testing and proving grounds, facilities and establishments and installations and to exploit and turn to account the results of any research and development carried out by or for it.
- (25) To invent, design, develop, construct, manufacture, produce, erect, assemble, test, alter, install, maintain, repair, renovate, refurbish, recondition, utilise, operate, manage, purchase, sell, hire, hire out, import, export, supply and otherwise deal in all kinds of equipment, apparatus, plant, machinery, appliances, articles, furniture, things, accessories, components, fittings, tools, materials, substances, products, systems, computers, computer programs and software which are required or are likely to be required by the Company for the purposes of, or in connection with, any of its businesses, or by other persons, or which in the opinion of the Directors may be conveniently or advantageously dealt with by the Company in connection or association with any of its objects or the objects of any of its subsidiaries.
- (26) To purchase, charter, lease, take or let on hire, operate, use, employ or turn to account, build, equip, service, repair, maintain, supply and deal in ships and vessels and craft of every description (including, without limitation, submersible craft), hovercraft, motor vehicles, aircraft,

airships, railway locomotives, wagons, trucks and any means of transport and parts and accessories of all kinds for any of the same.

- (27) To enter into, carry on and participate in financial transactions and operations of all kinds and to undertake, carry on and execute all kinds of financial, commercial, trading, trust, agency and other operations, including, without limitation, acting as agents for the collection, receipt or payment of money.
- (28) To establish, acquire, produce, transmit, broadcast, publish, print and reproduce in any form whatsoever (including, without prejudice to the generality of the foregoing, visual or audible form and forms capable of being used by, in, or in connection with, computers), and to buy, sell, supply and otherwise deal in brochures, manuals, journals, periodicals, magazines, newspapers, books, pictures, photographs, stationery and other documents, sound and visual recordings, tapes, films, and programmes for radio, television, cinema and other means of communication.
- (29) To carry on any other business or activity which the Directors consider is, or may be capable of being carried on directly or indirectly for the benefit of the Company.
- (30) To acquire by any means and hold and deal with any real or personal property or rights whatsoever and, without prejudice to the generality of the foregoing, to purchase, take on lease or in exchange, hire or otherwise acquire and hold any real property and any estate or interest in such property, including without limitation any lands, buildings, installations, structures, servitudes, easements, rights, privileges and concessions and to exploit and develop the same.
- (31) To explore for, acquire and exploit natural resources, lands, claims, wells, mines, minerals, mineral, drilling and mining rights, exploration and production rights, and interests of all descriptions in or relating to the same.
- (32) To acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business which the Company is authorised to carry on or which can be carried on in connection with any such business, and to acquire an interest in, amalgamate or enter into any arrangement for sharing profits, or for co-operation, or for mutual assistance, with any such person and to give or accept, for any of the acts or things aforesaid or property acquired, such consideration as the Company thinks fit, including, without limitation, any shares, whether fully or partly paid up, debentures, or other securities or rights.
- (33) To apply for and take out, purchase or otherwise acquire any patents, patent rights, inventions, secret processes, designs, copyrights, trade marks, service marks, commercial names and designations, know-how, formulae, licences, concessions and the like (and any interest in any of them) or any exclusive or non-exclusive or limited right to use, or any secret or other information as to, any invention or secret process of any kind and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account or deal with, the property, rights or information so acquired.

- (34) To subscribe for, underwrite, purchase or otherwise acquire, and to hold, and deal with, any shares, stocks, debentures, bonds, notes and other securities, obligations and other investments of any nature whatsoever and any options or rights in respect of them; and otherwise to invest and deal with the money and assets of the Company.
- (35) To borrow or raise money or secure or discharge any debt or obligation (whether of the Company or of any other person) in such manner as the Company thinks fit and in particular (but without prejudice to the generality of the foregoing) by the creation or issue, upon such terms as to priority or otherwise as the Company thinks fit, of securities of any kind or mortgages or charges (fixed or floating) founded or based upon all or any part of the undertaking, property, assets and rights (present and future) of the Company, including its uncalled capital, or without any such security; and to receive money on deposit and advance payments with or without allowance of interest thereon.
- (36) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods or in any other manner, the performance of any contracts, obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing) any company which is a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company and whether or not any consideration or advantage is received by the Company.
- (37) To advance, lend or deposit money, and to give credit or financial accommodation to any person on such terms as may be thought fit by the Company.
- (38) To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (39) To accept securities of any person or any property or interest therein of whatsoever nature in payment or part payment for any services rendered or for any sale or supply made to, or debt owing from, any such person.
- (40) To insure any property, asset, matter or interest and against any potential liability or loss of the Company or of any other person and the life or health of any person for the benefit of the Company.
- (41) To enter into and carry into effect any arrangement for partnership or joint working or joint venture in business or for the sharing of profits or for amalgamation with any other person.
- (42) To apply for, promote and obtain any Act of Parliament, charter, privilege, concession, licence, appointment, consent, or authorisation of any government, state, municipality, minister, department, local

authority, or other authority or public body for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated, directly or indirectly, to prejudice the interests of the Company or of its members.

- (43) To enter into any arrangements with any governments or authorities (national, municipal, local, international, or otherwise), or any corporations, companies, public bodies, or persons that may seem conducive to the Company's objects or any of them, and to obtain from any such government, authority, corporation, company, body 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.

- (44) To do all or any of the following, namely:

- (A) to establish, provide, carry on, maintain, manage, support, purchase and contribute to any pension, superannuation, retirement, redundancy, injury, death benefit or insurance funds, trusts, schemes or policies for the benefit of, and to give or procure the giving of pensions, annuities, allowances, gratuities, donations, emoluments, benefits of any description (whether in kind or otherwise), incentives, bonuses, assistance (whether financial or otherwise) and accommodation in such manner and on such terms as the Company thinks fit to, and to make payments for or towards the insurance of:

- (i) any individuals who are or were at any time in the employment of, or directors or officers of (or held comparable or equivalent office in), or acted as consultants or advisers to or agents for:

- (a) the Company or any company which is or was its holding company or is or was a subsidiary of the Company or any such holding company; or

- (b) any person to whose business the Company or any subsidiary of the Company is, in whole or in part, a successor directly or indirectly (including without prejudice to the generality of the foregoing Thames Water Authority and any subsidiary of it); or

- (c) any person otherwise allied to or associated with the Company;

- (ii) any other individuals whose service has been of benefit to the Company or who are or were at any time members, or eligible to be members, of a scheme established or designated under Section 27 of the Water Act 1973 or contained in or governed by regulations under Section 7 or Section 12 of the Superannuation Act 1972 or who the Company considers have a moral claim on the Company; and

(iii) the spouses, widows, widowers, families and dependants of any such individuals as aforesaid; and

(B) to establish, provide, carry on, maintain, manage, support and provide financial assistance to welfare, sports and social facilities, associations, clubs, funds and institutions which the Company considers likely to benefit or further the interests of any of the aforementioned individuals, spouses, widows, widowers, families and dependants.

(45) To establish, maintain, manage, support and contribute to any schemes for the acquisition of shares in the Company or its holding company by or for the benefit of any individuals who are or were at any time in the employment of, or directors or officers of:

(i) the Company;

(ii) any company which is or was its holding company or is or was a subsidiary of the Company or any such holding company; or

(iii) any other company or former company connected or associated in any way with the Company or with the whole or any part of its undertaking,

and to lend money to any such individuals to enable them to acquire shares in the Company or in its holding company and to establish, maintain, manage and support (financially or otherwise) any schemes for sharing profits of the Company or any other such company as aforesaid with any such individuals.

(46) To subscribe or contribute (in cash or in kind) to, and to promote or sponsor, any charitable, benevolent or useful object of a public character or any object which may in the opinion of the Company be likely directly or indirectly to further the interests of the Company, its employees or its members.

(47) To pay and discharge all or any expenses, costs and disbursements, to pay commissions and to remunerate any person for services rendered or to be rendered in connection with the formation, promotion and flotation of the Company and the underwriting or placing or issue at any time of any securities of the Company or of any other person.

(48) To issue, allot and grant options over securities of the Company for cash or otherwise or in payment or part payment for any real or personal property or rights therein purchased or otherwise acquired by the Company or any services rendered to, or at the request of, or for the benefit of, the Company or as security for, or indemnity for, or towards satisfaction of, any liability or obligation undertaken or agreed to be undertaken by or for the benefit of the Company, or in consideration of any obligation (even if valued at less than the nominal value of such securities) or for any other purpose.

(49) To procure the Company to be registered or recognised in any part of the world.

(50) To promote any other company for the purpose of acquiring all or any of the property or undertaking any of the liabilities of the Company, or

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both, or of undertaking any business or operations which may appear likely to assist or benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures or other securities of any such company.

- (51) To dispose by any means of the whole or any part of the assets of the Company or of any interest therein.
- (52) To distribute in specie or otherwise by way of dividends or bonus or reduction of capital all or any of the property or assets of the Company among its members and particularly, but without prejudice to the generality of the foregoing, securities of any other company formed to take over the whole or any part of the assets or liabilities of the Company or any proceeds of sale or other disposal of any property or assets of the Company.
- (53) To do all or any of the above things in any part of the world, and either as principal, agent, trustee, contractor or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- (54) To do all such other things as may be deemed, or as the Directors consider, incidental to or conducive to the attainment of the above objects or any of them.

AND IT IS HEREBY DECLARED that in this clause:

- (i) unless the context otherwise requires, words in the singular include the plural and vice versa;
- (ii) unless the context otherwise requires, a reference to a person includes a reference to a company, and a reference to a person or company includes a reference to a firm, partnership, corporation, government or other authority (municipal, local or otherwise), undertaking, organisation, association, statutory, public or other body and any other legal entity, whether resident, domiciled or situated (in any such case) in the United Kingdom or elsewhere;
- (iii) references to "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible;
- (iv) the words "subsidiary" (except in paragraph (v) below) and "holding company" have the same meaning as in Section 736 of the Companies Act 1985 or any statutory modification or re-enactment of it;
- (v) the objects specified in each of the foregoing paragraphs of this clause shall be separate and distinct objects of the Company and accordingly shall not be in any way limited or restricted (except so far as otherwise expressly stated in any paragraph) by reference to or inference from the terms of any other paragraph or the order in which the paragraphs occur or the name of the Company, and none of the paragraphs shall be deemed merely subsidiary or incidental to any other paragraph.

4. The liability of the Members is limited.

5. The Company's share capital is £100 divided into 100 shares of £1 each.¹

¹By an ordinary resolution of the Company passed on 29th August, 1989, the share capital of the Company was increased to £50,000 divided into 50,000 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
------------------------------------	---

Signed: J Samuels	ONE
-------------------	-----

JACQUELINE SAMUELS

For and on behalf of
Legibus Secretaries Limited
Royex House
Aldermanbury Square
London EC2V 7LD

Signed: C Lee	ONE
---------------	-----

CHRISTINE ANNE LEE

For and on behalf of
Legibus Nominees Limited
Royex House
Aldermanbury Square
London EC2V 7LD

Total shares taken	<hr/> TWO <hr/>
--------------------	-----------------

DATED the 16th day of March, 1989

WITNESS to all the above signatures:-

Signed: D Ward

DENISE WARD

Royex House
Aldermanbury Square
London EC2V 7LD

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THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

THAMES WATER UTILITIES LIMITED

1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (hereinafter called "Table A") shall apply to the Company save insofar as they are varied or excluded by or are inconsistent with these articles of association (together hereinafter referred to as "these Articles"); and regulation 1 shall so apply as if references to "these regulations" included references to these Articles. Accordingly, in these Articles, "the Act" means the Companies Act 1985, including any statutory modification or re-enactment of it for the time being in force; and any reference in these Articles to a provision of that Act includes a reference to any statutory modification or re-enactment of that provision for the time being in force.
2. Regulations 24, 73 to 80 (inclusive), 94 to 97 (inclusive) and 101 in Table A shall not apply to the Company.
3. Sections 89(1) and 90(1) to (6) (inclusive) of the Act, in their application to allotments by the Company of equity securities, are hereby excluded.
4. The directors may in their absolute discretion, and without giving any reason, decline to register any transfer of any share, whether or not fully paid.
5. A member or members holding a majority in nominal value of the issued ordinary shares in the Company may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, and may remove from office any director however appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members concerned, or in the case of a corporate member, signed by one of its directors on its behalf, and shall take effect on lodgment at the office.

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6. The directors may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
 7. The Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director and, without prejudice to the provisions of the Act, may by ordinary resolution remove a director from office.
 8. The removal of a director under Article 5 or 7 shall be without prejudice to any claim the director may have for breach of any contract of service between him and the Company.
 9. No person shall be disqualified from being or becoming a director by reason of his attaining or having attained the age of 70 or any other age.
 10. A director who has duly declared his interest (so far as he is required to do so) may vote at a meeting of the directors or of a committee of the directors on any resolution concerning a matter in which he is interested, directly or indirectly. If he does, his vote shall be counted; and whether or not he does, his presence at the meeting shall be taken into account in calculating the quorum.
 11. The directors may appoint any person (not being a director) 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 designation or title and may terminate any such appointment or the use of such designation or title. The inclusion of the word "Director" in the designation or title of any such office or employment shall not imply that such person is, or is deemed to be, or is empowered in any respect to act as a director of the Company for any of the purposes of the Act or these Articles.
 12. The seal shall be used only by the authority of a resolution of the directors or of a committee of the directors. The directors may determine whether any instrument to which the seal is affixed shall be signed, whether autographically or otherwise, and may so determine either generally or in relation to a particular instrument or type of instrument. Unless otherwise determined by the directors:
 - (i) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the seal in respect of any debentures or other securities, need not be signed, and any signature may be applied to any such certificate by any mechanical or other means or may be printed on it; and
 - (ii) every other instrument to which the seal is affixed shall be signed by one director and by the secretary or another director.
 13. (A) Notwithstanding any provision in these Articles to the contrary, each of the following matters shall only be effective, at any time prior to 31st December, 1994 (or, if earlier, the date of redemption of the Special Share pursuant to Article 9 of the Articles of Association of the Holding Company), with the prior consent in writing of the Holding Company:
 - (i) the amendment, removal or alteration of the effect of this Article;
 - (ii) the creation or issue of any shares in the capital of the Company other
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than an issue of such shares the full beneficial ownership of which is vested in the Holding Company;

(iii) any abrogation, variation, waiver or modification of any of the rights or privileges attaching to any shares of any class in the Company held by the Holding Company or on its behalf.

(B) For the purpose of this Article 13 the "Holding Company" means Thames Water Plc.

Company No. 2366661

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

ORDINARY RESOLUTION

- of -

THAMES WATER UTILITIES LIMITED

At an EXTRAORDINARY GENERAL MEETING of the Company held at Royex House, Aldermanbury Square, London EC2V 7LD on Tuesday 29th August 1989 the following Resolution was passed as an Ordinary Resolution:-

RESOLUTION

4. THAT : (A) The Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities (within the meaning of Section 80 of the Companies Act 1985 (the "Act")) of the Company on and subject to such terms as the Directors may determine. The authority hereby conferred shall subject to Section 80 of the Act be for a period expiring five years from the date hereof unless renewed, varied or revoked by the Company in General Meeting and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be £49,998 being the authorised but as yet unissued share capital of the Company at the date hereof.
- (B) The Directors shall be entitled under the authority conferred by paragraph (A) of this Resolution or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority.

NDH836Q1.34



C. J. [Signature]
Chairman

Company No. 2366661

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ORDINARY RESOLUTION

- OF -

THAMES WATER UTILITIES LIMITED

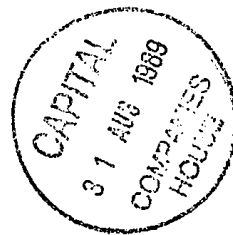
At an EXTRAORDINARY GENERAL MEETING of the Company held at Royex House,
Aldermanbury Square, London EC2V 7LD on Tuesday 29th August 1989 the
following Resolution was passed as an Ordinary Resolution:-

RESOLUTION

2. THAT: The authorised capital of the Company be increased to £50,000 by
the creation of 49,900 ordinary shares of £1 each such shares to rank
pari passu in all respects with the existing shares of the Company and
that each of the existing shares of the Company be designated ordinary
shares.

C J Wain

.....
Chairman



NDH836Q1.34

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COMPANIES FORM No. 123

**Notice of increase
in nominal capital****123**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

For official use

Company number

[] [] [] []

2366661

Name of company

* insert full name
of company* **THAMES WATER UTILITIES LIMITED**§ the copy must be
printed or in some
other form approved
by the registrar

gives notice in accordance with section 123 of the above Act that by resolution of the company
dated 29th August 1989 the nominal capital of the company has been
increased by £ 49,900 beyond the registered capital of £ 100.

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 follow:

The new ordinary shares of £1 each rank pari passu in all respects with
the existing shares of the Company.

Please tick here if
continued overleaf‡ Insert
Director,
Secretary,
Administrator,
Administrative
Receiver or
Receiver
(Scotland) as
appropriateSigned AmmanDesignation‡ DirectorDate 29th August 1989Presentor's name address and
reference (if any):

Clifford Chance,
Royex House,
Aldermanbury Square,
London, EC2V 7LD.

REF: MJM/SAH

For official Use
General Section

Document 5

Company No. 2366661

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

ORDINARY RESOLUTION

- of -

THAMES WATER UTILITIES LIMITED

At an EXTRAORDINARY GENERAL MEETING of the Company held at 10 Aldersgate, London EC2 on Monday 20th November 1989 the following Resolution was passed as an Ordinary Resolution:-

RESOLUTION

2. THAT :
- (A) The Directors shall have general and unconditional authority to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) of the Company on and subject to such terms as the Directors may determine. The authority hereby conferred shall be for a period expiring five years from the date hereof unless renewed, varied or revoked by the company in General Meeting and the maximum nominal amount of relevant securities which may be allotted pursuant to such authority shall be £360,000,000 being the authorised but as yet unissued share capital of the Company at the date hereof.
- (B) The Directors shall be entitled under the authority conferred by paragraph (A) of this Resolution or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant



securities of the Company to be allotted after the
expiry of such authority.


.....
Chairman

Document 5

Company No. 2366661

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
ORDINARY RESOLUTION


- OF -

THAMES WATER UTILITIES LIMITED

At an EXTRAORDINARY GENERAL MEETING of the Company held at 10 Aldersgate, London EC2 on Monday 20th November 1989 the following Resolution was passed as an Ordinary Resolution:-

RESOLUTION

1. THAT: The authorised capital of the Company be increased to £360,050,000 by the creation of 360,000,000 ordinary shares of £1 each such shares to rank pari passu in all respects with the existing ordinary shares of the Company.


.....
Chairman

SLAUGHTER AND MAY
35, BASINGHALL STREET,
LONDON EC2V 5DB

4PE1

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COMPANIES FORM No. 123

Notice of increase in nominal capital

123

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

For official use

Company number

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2366661

Name of company

* THAMES WATER UTILITIES LIMITED

* insert full name
of company

gives notice in accordance with section 123 of the above Act that by resolution of the company
dated 20th November 1989 the nominal capital of the company has been
increased by £ 360,000,000 beyond the registered capital of £ 50,000 (500k) *bb*

§ 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 follow:

The shares rank pari passu in all respects with the existing
ordinary shares of £1 each in the capital of the Company.

Please tick here if
continued overleaf

☐

‡ Insert
Director,
Secretary,
Administrator,
Administrative
Receiver or
Receiver
(Scotland) as
appropriate

Signed

David Sedwick

Designation ‡

Secretary

X Date X

20th November 1989

Presenter's name address and
reference (if any):

Slaughter & May
35 Basinghall Street
London EC2

Ref: F. Balfour

For official Use

General Section

Post room

G

COMPANIES FORM No.353a

**Notice of place for inspection of
a register of members which is
kept in a non-legible form,
or of any change in that place**

353a

Please do not
write in
this margin

Pursuant to the Companies (Registers and Other Records) Regulations 1985

Note: For use only when the register is kept by computer or in some other non-legible form

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

Company number

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2366661

Name of company

* insert full name
of company

THAMES WATER UTILITIES LIMITED

gives notice, in accordance with regulation 3(1) of the Companies (Registers and Other Records) Regulations 1985, that the place for inspection of the register or members of the company which the company keeps in a non-legible form is [now]:

Nugent House	
Vestern Road	
READING	
Berkshire	Postcode RG1 8DB

† delete as
appropriate

Signed

John Thomas

for [Director][Secretary]† Date 2/8/90

Presentor's name address and
reference (if any):

R.C. CARSLY
Thames Water PLC
14 Cavendish Place
LONDON W1M 9DJ

For official Use
General Section

Post room

3 AUG 1990

HOUSE