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COMPANIES FORM No. 123

Notice of increase in nominal capital

123

Pursuant to section 123 of the Companies Act 1985

To the Registrar of Companies

For official use

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Company Number

2366678

Name of Company

insert full name
of company

NORTH WEST WATER 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 1 October 1998 the nominal capital of the company has been increased by £130,000,000. beyond the registered capital of £725,137,000, by the creation of 130,000,000 7% cumulative redeemable preference shares of £1 each.

A copy of the resolution authorising the increase is attached.

The conditions (e.g. voting rights, dividend rights, winding-up rights etc.) subject to which the new shares have been or are to be issued are as detailed in the addendum to this form, and included in the Articles of Association as adopted on 1 October 1998

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

Please tick here if
continued overleaf

☐

Signed



Designation ‡

Secretary

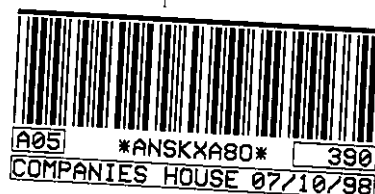
Date 1 October 1998

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

Jane Lawton
United Utilities PLC
Group Corporate Centre
Birchwood Point Business Park
Birchwood Boulevard
Birchwood
Warrington WA3 7WB

For official use
General Section

Post room



BLUEPRINT
Company Secretary

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Addendum to Form 123 – North West Water Limited**16. Rights and privileges attached to the redeemable preference shares:-****(A) As regards income**

- (i) The redeemable preference shares shall confer on the holders thereof the right to receive, in priority to any payment by way of dividend to the holders of any other class of shares in the capital of the Company a fixed cumulative preferential dividend ("preference dividend") at the rate of 7% per annum (exclusive of any associated tax credit) on the total amount for the time being paid up thereon in respect of each financial year of the Company.

To the extent that there are profits available for distribution for the purposes of the Act (after payment of all dividends accrued and in arrears on the redeemable preference shares in respect of any earlier financial year), on the due date for payment thereof the preference dividend shall ipso facto and without any resolution of the Board or of the Company in general meeting become a debt due from and immediately payable by the Company to the redeemable preference shareholders in respect of each redeemable preference share held by each such shareholder.

- (ii) The preference dividend shall accrue from day to day and be paid half-yearly on 30 September and 31 March in each year (each a "preference dividend payment date") in respect of the half-years ending on 29 September and 30 March respectively out of the profits of the Company available for distribution Provided that the first such payment shall be made on 31 March 1999 and shall be calculated in respect of the period from the date of adoption of these Articles up to and including 30 March 1999.
- (iii) The rate at which the preference dividend is payable shall be a rate per annum compounded with rests on the preference dividend payment dates.

(B) As regards capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the members shall be applied, in priority to any payment to the holders of any other class of shares in the capital of the Company in paying to the redeemable preference shareholders:

- (i) first, the total amounts paid up on the redeemable preference shares held ; and
- (ii) secondly, a sum equal to any arrears or deficiency of the preference dividend to be calculated down to the date of return of capital and to be payable irrespective of whether or not such dividend has been declared or earned.

(C) Further participation

The redeemable preference shares shall not confer any further right of participation in the profits or assets of the Company.

(D) As regards redemption

- (i) By not less than 30 days' written notice expiring at any time and served by the Company on the redeemable preference shareholders or by the redeemable preference shareholders on the Company, the Company or, as the case may be, the redeemable preference shareholders may require that the whole or any part of the redeemable preference shares then in issue be redeemed for cash on the date stated in such notice (in each case, a "redemption date").
- (ii) Any redemption of some but not all of the redeemable preference shares shall be made amongst the holders thereof pro rata or as nearly as possible to their then holdings of redeemable preference shares.
- (iii) Upon the redemption date the paid-up value of each redeemable preference share to be redeemed and any preference dividend due thereon (whether declared or earned or not ("the redemption monies")) shall become a debt due and payable by the Company to the relevant redeemable preference shareholder and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon the redemption date pay the redemption monies to the appropriate redeemable preference shareholder.
- (iv) On redemption, the Company shall cancel the share certificate of the redeemable preference shareholder concerned and, in the case of a redemption of part of the redeemable preference shares included in the certificate, without charge issue a fresh certificate for the balance of redeemable preference shares not redeemed.
- (v) As from the relevant redemption date, the preference dividend shall cease to accrue on any redeemable preference shares due to be redeemed on that date unless on the presentation of the certificate (or an indemnity as aforesaid) relating thereto the

Company fails to make payment of the redemption monies in which case the preference dividend shall be deemed to have continued and shall continue to accrue from the relevant redemption date to the date of payment.

- (vi) Any redeemable preference shares in issue on 1st October 2099 shall be redeemed by the Company for cash by not less than 30 days' written notice expiring at any time thereafter served on the redeemable preference shareholders and the provisions of articles 16(D)(iii), (iv) and (v) shall apply mutatis mutandis.

(E) As regard voting

The redeemable preference shares shall not entitle the holders to receive notice of, attend or vote (either in person or by proxy and whether on a poll or show of hands) at any general meeting of the Company unless the business of the general meeting of the Company includes the consideration of a resolution for winding up the Company or for a reduction of capital or any resolution which directly or indirectly would modify, vary or abrogate any right or privilege attached to the redeemable preference shares in which case the holders thereof shall only be entitled to vote at the relevant meeting in respect of such resolution or resolutions.

In the event of any such resolution being considered the redeemable preference shareholders shall be entitled to receive notice, attend the meeting, vote, and appoint proxies and corporate representatives in accordance with the provisions elsewhere in these Articles of Association relating to meetings generally.