

Company No 05088162

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

WATERWERKZ LIMITED (the "Company")

On 26th May 2006 the following resolutions were duly passed as written resolutions of the Company in accordance with section 381A of the Companies Act 1985 by all members of the Company who, at that date, were entitled to attend and vote at general meetings of the Company:-

ORDINARY RESOLUTION

1. **THAT**, in substitution for any previous authority, the directors be hereby generally and unconditionally authorised, in accordance with section 80 Companies Act 1985, to allot relevant securities (as defined in that section) up to a maximum aggregate nominal amount of relevant securities of £698.00; provided that this authority will expire on the date being five years from the date on which this resolution is passed, but the Company may before this authority expires make an offer or agreement which would or might require relevant securities to be allotted after this authority expires and the directors may allot relevant securities pursuant to such offer or agreement as if this authority had not expired.

SPECIAL RESOLUTIONS

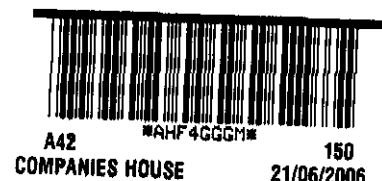
1. **THAT** the regulations annexed to this resolution be hereby adopted as the new Articles of Association of the Company in substitution for all existing regulations.
2. **THAT** the 2,107 existing issued ordinary shares in the capital of the Company be re-classified as 2,107 "A" Shares of £1.00 each; and the 7,893 of the unissued ordinary shares of £1.00 each in the capital of the Company, be re-classified as 698 "B" Shares of £1.00 each, and 7,195 Ordinary Shares of £1.00 each; each share having the rights attaching thereto as set out in the new Articles of Association adopted pursuant to this resolution.

Signed

Adam Green

Director/Secretary

For and on behalf of Waterwerkz Limited



THE COMPANIES ACTS 1985 and 1989

PRIVATE COMPANY LIMITED BY SHARES

COMPANIES HOUSE

21/06/2006

ARTICLES OF ASSOCIATION

of

WATERWERKZ LIMITED

(Adopted by special resolution passed on 11th May 2006)

- 1.1 The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended) ("**Table A**") shall apply to the Company save insofar as they are excluded or modified hereby.
- 1.2 The regulations of Table A numbered 2, 3, 8, 24, 38, 39, 40, 41, 50, 54, 60, 61, 64, 65, 73, 74, 75, 76, 77, 78, 79, 80, 81, 84, 90, 94, 95, 96, 97, 98, 109, 115 and 118 shall not apply. The regulations of Table A numbered 1, 35, 37, 45, 46, 53, 57, 59, 62, 66, 67, 68, 88, 91, 110, 112 and 116 shall be modified. Subject to such exclusions and modifications, and in addition to the remaining regulations of Table A, the following shall be the articles of association of the Company.
- 1.3 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution shall also be effective.
- 1.4 In these Articles:-

"Act"	means the Companies Act 1985, including any modification or re-enactment from time to time whether before or after the date of adoption of these articles and regulation 1 of Table A shall be modified accordingly
"A" Director"	means a director appointed by the holders of the "A" shares in accordance with Article 24
"A" Share"	means an "A" Share of £1 in the capital of the Company
"B" Director"	means a director appointed by the holders of the "B" shares in accordance with Article 24
"B" Share"	means a "B" Share of £1 in the capital of the Company
"Business Day"	means a day (other than a Saturday) on which banks generally are open in London for a full range of business
"Equity Proportion"	means, where it is used in the context of some (but not all) of the members, the respective proportions in which shares in the Equity share capital of the Company are held by each of those particular members

- 1.5 Words and expressions contained in these articles which are not defined in paragraph 1.4 have, unless the contrary is indicated, the same meaning as in the Act, but excluding any modification to or re-enactment of the Act not in force at the date of adoption of these articles. Regulation 1 of Table A shall be modified accordingly.

PRIVATE COMPANY

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

SHARE CAPITAL

- 3.1 At the date of adoption of these articles the authorised share capital of the Company is £2,805 divided into 2,107 "A" Shares of £1 each and 698 "B" Shares of £1 each. The "A" Shares and the "B" Shares shall entitle the holders of those shares to the respective rights and privileges and subject them to the respective restrictions and provisions contained in these articles.
- 3.2 All the "A" Shares and all the "B" Shares for the time being in issue shall constitute separate classes of shares respectively for the purposes of these articles and the Act, but, except as otherwise provided by these articles, the "A" Shares and "B" Shares shall rank *pari passu* in all respects.
- 3.3 The rights conferred upon the holders of the "A" Shares and "B" Shares shall be deemed to be varied by:-
- 3.3.1 the reduction of the capital paid up on any of those shares;
 - 3.3.2 by the creation or issue of further shares (of a new class) ranking in priority to them for the payment of a dividend or of capital; or
 - 3.3.3 any amendment to the memorandum of association or these articles,
- but shall not be deemed to be varied by the creation or issue of further shares ranking subsequent to them.
4. Subject to the provisions of these articles and the Act, the directors shall have authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares (whether forming part of the original or any increased share capital) on such terms and conditions as the Company may by ordinary resolution determine.
5. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder on such terms and in such manner as the Company before the issue of the shares may by special resolution determine.
6. The pre-emption provisions of sub-section 89(1) of the Act and the provisions of sub-sections 90(1) to (6) inclusive of the Act shall not apply to any allotment of the Company's equity securities.

LIEN

7. The Company shall have a first and paramount lien on every share registered in the name of a member (whether solely or jointly with others) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of the share or payable by the member or the member's estate to the Company. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article if the declaration applies in respect of each "A" Share and each "B" Share in a like manner. The Company's lien on a share shall extend to any amount payable in respect of it.

TRANSFERS

- 8.1 The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share to any person, whether or not it is a fully paid share or a share on which the company has a lien.
- 8.2 Upon the transfer of any "A" Shares (the "**transfer shares**") to a holder of "B" Shares in accordance with these Articles, the transfer shares shall automatically convert into "B" Shares on the basis of one transfer share for one "B" Share. Forthwith upon conversion the holders of the resulting "B" Shares shall send to the Company the certificates (if any) in respect of the relevant shares, and the Company shall issue to such holders certificates for the "B" Shares resulting from the conversion. The "B" Shares resulting from the conversion shall rank from the date of conversion *pari passu* in all respects with the other "B" Shares.

NOTICE OF GENERAL MEETINGS

9. Regulation 37 of Table A shall be modified by the deletion of the words "eight weeks" and the substitution for them of the words "twenty-eight days".
10. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting, other than a meeting called for the passing of an elective resolution, may be called by shorter notice if it is so agreed:-
- 10.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- 10.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being (i) a majority together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

PROCEEDINGS AT GENERAL MEETINGS

- 11.1 No business shall be transacted at any general meeting unless a quorum is present.
- 11.2 A quorum shall be two members present in person or by proxy or a representative duly authorised of whom one member shall be a holder of "A" Shares and one member shall be a holder of "B" Shares.
- 11.3 A 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 at any meeting of any class of members of the Company. The person so authorised is 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. Unless the directors otherwise decide, a copy of such authority certified notarially or in some other way approved by the directors shall be left at or sent by post or facsimile transmission to the office or such other place within the United Kingdom as the directors may determine before such representative is entitled to exercise any power on behalf of the corporation which he represents.
- 11.4 If within half an hour of the time appointed for a meeting a quorum is not present the meeting shall stand adjourned to the same day fourteen days later at the same time and place and if at an adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting the meeting shall be dissolved.
- 11.5 Notice of a meeting adjourned for absence of a quorum shall be given to all members. If a general meeting at which a quorum is present is adjourned it shall not be necessary to give any notice of the adjourned meeting and regulation 45 of Table A shall be modified accordingly.

12. A poll may be demanded by the chairman or by any member present in person or by proxy or a representative and entitled to vote and regulation 46 of Table A shall be modified accordingly.
13. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not have a second or casting vote.
14. Regulation 53 of Table A shall be modified by the addition at the end of the following sentence: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."

VOTES OF MEMBERS

- 15.1 Subject to Articles 15.2 and 15.3 and to any rights or restrictions attached to any share, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present 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 each share held by the member.
- 15.2 No share of either class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of the other class.
- 15.3 If at any meeting a member is not present in person or by proxy or a representative the votes exercisable on a poll in respect of the shares of the same class held by members present in person or by proxy or a representative shall be pro tanto increased (fractions of a vote by any member being permitted) so that those shares shall together entitle those members to the same aggregate number of votes as would be cast in respect of all the shares of that class if all the holders of those shares were present in person.
16. Regulation 57 of Table A shall be modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine".
17. Regulation 59 of Table A shall be modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of the meeting."
18. An instrument appointing a proxy shall be in writing in any form which is usual or in which the directors may approve and shall be executed by or on behalf of the appointor.
19. Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraph (a) of the words "one hour" in place of "48 hours" and by the substitution in paragraph (b) of the words "one hour" in place of "24 hours".

NUMBER OF DIRECTORS

20. Subject to Article 24 below, the number of directors (other than alternate directors) shall not be subject to any maximum and the minimum number shall be two.

ALTERNATE DIRECTORS

21. Any director may appoint any other director or any other person approved by a resolution of the Board and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
22. An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A shall be modified accordingly.
23. Regulation 68 of Table A shall be modified by the addition at the end of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors."

APPOINTMENT AND REMOVAL OF DIRECTORS

- 24.1 The Board shall consist of 6 Directors for as long as the holders of "A" Shares have an Equity Proportion exceeding 50% and the holders of "B" Shares have an Equity Proportion of not less than 24%:
- 24.1.1 the holders of the "A" Shares in a separate meeting or by written resolution shall be entitled to appoint, and remove from office, 4 "A" Directors; and
- 24.1.2 the holders of the "B" Shares in a separate meeting or by written resolution shall be entitled to appoint, and remove from office, 2 "B" Directors.
- 24.2 If the Equity Proportion of "A" Shares is reduced to below 50% the Board shall consist of 7 Directors for as long as the holders of the "B" Shares have an Equity Proportion exceeding 50% and the holders of the "A" Shares have an Equity Proportion of not less than 24%:
- 24.2.1 the holders of the "B" Shares in a separate meeting or by written resolution shall be entitled to appoint, and remove from office, 4 "B" Directors; and
- 24.2.2 the holders of the "A" Shares in a separate meeting or by written resolution shall be entitled to appoint, and remove from office, 3 "A" Directors.
- 24.3 There shall be no directors other than the "A" Directors and the "B" Directors.
- 24.4 If there is a vacancy for the appointment of an "A" Director or a "B" Director and the holders of the majority of the "A" Shares or the "B" Shares (as the case may be) have not filled the vacancy in the manner set out in this article within ninety days of the creation of the vacancy, the Company shall convene a separate class meeting of the holders of "A" Shares or "B" Shares (as the circumstances require) to elect a replacement "A" Director or "B" Director. The provisions of these articles relating to general meetings shall apply to a separate class meeting, except that a quorum for the meeting shall be the holders of shares of the relevant class, present in person or by proxy or a representative.
- 24.5 Each "A" Director and "B" Director may at any time be removed from office from the holders of a majority of the "A" Shares or "B" Shares (as the case may be).
- 24.6 A director appointed by a class of members pursuant to this article shall cease to be a director from the date on which the members of the class at the time of his appointment cease to be members.
- 24.7 Any appointment or removal of a director shall be made by notice in writing served on the Company and signed by the persons appointing or removing the director. In the case of a corporation the notice may be signed on its behalf by a director or the secretary of the corporation or by its duly appointed attorney or duly authorised representative.
25. The directors shall not be subject to retirement by rotation. Regulations 73, 74 and 75 of Table A shall not apply, and reference in any other regulation to retirement by rotation shall be disregarded.
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. Section 293 of the Act shall not apply to the Company.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

27. The office of a director shall be vacated if:-
- 27.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- 27.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;

- 27.3 he becomes, in the opinion of all his co-directors incapable by reason of mental disorder of discharging his duties as director;
- 27.4 he resigns his office by notice in writing to the Company; or
- 27.5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during this period have attended any meetings instead of him, and the directors resolve that his office be vacated.

DIRECTORS' APPOINTMENTS AND INTERESTS

- 28. Subject to the provisions of the Act, the directors may appoint one or more of their number to any other executive office under the Company and may enter into an agreement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment or agreement may be made upon such terms as the directors may determine. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.
- 29. Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty and if he does so vote his vote shall be counted and he shall be counted in the quorum present at a meeting in relation to any such resolution.

PROCEEDINGS OF DIRECTORS

- 30. Regulation 88 of Table A shall be modified by the exclusion of the third sentence and the substitution of the following sentence: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom." and by the exclusion of the fourth sentence and the substitution of the following sentence: "In the case of an equality of votes the chairman shall not have a second or casting vote."
- 31. Unless agreed by all the directors not less than 15 Business Days notice in writing shall be given of all meetings of the directors.
- 32. Each notice convening a meeting of the directors shall:-
 - 32.1 be sent to the address notified from time to time by each director to the secretary (or if none has been supplied, to his last known address); and
 - 32.2 contain an agenda specifying in reasonable detail the matters to be discussed at the meeting and shall, wherever practicable, be accompanied by copies of any relevant papers to be discussed at the meeting. If any matter is not identified in reasonable detail, the Board shall not decide on it unless all the Directors agree in writing.
- 33. Regulation 91 of Table A shall be modified by the exclusion of the first sentence and the substitution of the following sentences: "The chairman for the period from the date of adoption of these articles until the time when the Equity Proportion of the holders of the "B" Shares first exceeds 50% shall be one of the Directors nominated by the holders of the "A" Shares and thereafter the chairman shall be one of the Directors nominated by the holders of the "B" Shares.
- 34. Any director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the directors or a committee of the directors shall for the purposes of the articles be deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors notwithstanding that fewer than two directors or

alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

35. If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the articles by resolution in writing signed by him, and regulations 88, 89, 91, 92 and 93 of Table A and Article 35 shall not apply.

DIVIDENDS

36. The directors may deduct from any dividend or other moneys payable to any member on or in respect of a share any moneys presently payable by him to the Company in respect of that share.

CAPITALISATION OF PROFITS

37. The directors may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any member in respect of a holding by the member of any partly paid shares shall, so long as those shares remain partly paid, rank for dividends only to the extent that the partly paid shares rank for dividend. "A" Shares and "B" Shares allotted pursuant to regulation 110 of Table A shall be allotted to holders of "A" Shares and "B" Shares respectively. Regulation 110 of Table A shall be modified accordingly.

NOTICES

38. Regulation 112 of Table A shall be modified by the deletion of the last sentence and the substitution of the following sentence: "Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address."
39. Any notice sent to any member (or any other person entitled to receive notices under the articles) by the Company by post to an address within the United Kingdom shall be deemed to have been given within twenty-four hours, if prepaid as first class, and within forty-eight hours, if prepaid as second class, after the same shall have been posted. Any such notice sent by post to an address outside the United Kingdom shall be deemed to have been given within seventy-two hours, if prepaid as airmail. In proving the giving of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, prepaid and posted. Any notice not sent by post but left at a member's registered address shall be deemed to have been given on the day it was so left.
40. Regulation 116 of Table A shall be modified by the deletion of the words "within the United Kingdom".

INDEMNITY

41. Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary, auditor or other officer or employee of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities which he may sustain or incur in or about the execution of his duties or the exercise of his powers or otherwise in relation thereto including, without prejudice to the generality of the foregoing, any liability incurred defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
42. The directors may exercise all the powers of the Company to purchase and maintain for any director, auditor or other officer (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.