



Companies House

NOTICE OF ILLEGIBLE PAGES

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The poor quality has been noted, but unfortunately steps taken to improve them were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.



Barrhead Sanitary Ware plc ('the Company')

(Registered No: SC138807)

RESOLUTION

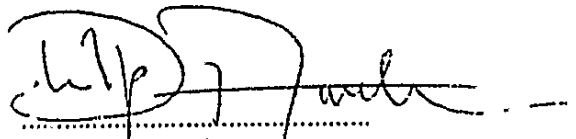
At an Extraordinary General Meeting of the Company duly convened and held at the Visitor Centre, Baxi Partnership Limited, Bamber Bridge, Preston on Tuesday 1 July at 7.30 am the following resolution was duly passed as specified:

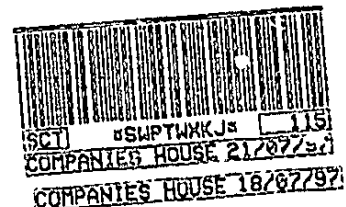
SPECIAL RESOLUTION

That, subject to the passing of Extraordinary Resolutions by (a) the holders of ordinary voting shares of £1 each in the capital of the Company, (b) the holders of ordinary non voting shares of £1 each in the capital of the Company, and (c) the holders of redeemable preference shares of £1 each in the capital of the Company, in each case consenting to the passing and implementation of this resolution;

THAT the Company, being a public limited company, be re-registered under Section 53 of the Companies Act 1985 as a private company limited by shares and accordingly that the Memorandum of Association, with respect to its objects, be altered in accordance with the printed document produced to this meeting and for the purpose of identification signed by the Chairman thereof, with effect from the date of re-registration of the Company as a private company.

BY ORDER OF THE BOARD


.....
Company Secretary



138807

THE COMPANIES ACTS 1985 AND 1989
PRIVATE
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
BARRHEAD SANITARY WARE LIMITED
(adopted on the 20th day of June 1995)

1. Unless the context otherwise requires, words or expressions contained in the Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when the Articles become binding on the Company. The Regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 (hereinafter called "Table A") shall apply to this Company save in so far as they are varied or excluded by or are inconsistent with these Articles. References herein to Regulations are to regulations in Table A unless otherwise stated.

2. In these Articles unless the context otherwise requires:

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

"Baxi" means Baxi Partnership Limited and any of its wholly owned subsidiaries from time to time.

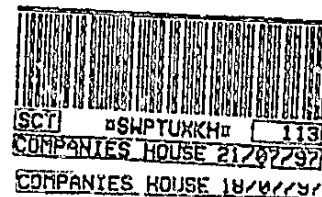
"Employee Shareholder" means any employee of the Company, full time or part time, who holds shares in the capital of the Company.

"Transfer Event" means (a) an Employee Shareholder ceasing to be an employee of the Company; or (b) an Employee Shareholder dying; or (c) an Employee Shareholder being sequestrated or making any composition or arrangement with his creditors; or (d) an Employee Shareholder desiring to transfer any of the Voting Shares registered in his name to the Trust and having served upon the Company and the Trust a transfer notice.

"Transfer Notice" means a notice in writing served upon the Company and the Trust by an Employee Shareholder stating that a Transfer Event has occurred,

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giving details thereof and specifying the number of the Voting Shares proposed to be sold to the Trust.

"Trust" means the Barrhead Sanitary Ware Employee Benefit Trust constituted by a Deed of Trust dated Second of December 1994 between the Company and the Trustee(s), as such Deed of Trust may from time to time be amended in accordance with the terms thereof.

"the Trustee(s)" means the Trustee(s) from time to time of the Trust.

"Trustee(s) valuation" means the valuation of each of the Voting Shares in the capital of the Company in issue as at February and August in each year, conducted for the Trustee(s) by the auditors of the Company as at each such date or as near to such date or dates as may be practicable and "valuation dates" shall be construed accordingly.

"valuation notification" means the publication by the Directors of the Company of the Trustee(s) valuation as soon as reasonably practicable after being advised of the same by the Trustee(s).

3. Allotment of Shares

The Directors are authorised generally for the purpose of section 80 of the Act to allot and issue such number of relevant securities and on such terms and conditions that they may in their discretion think fit subject always to the following conditions and other provisions of the Articles (a) the maximum amount of relevant securities to be allotted in pursuance of this authority shall be equal to the aggregate nominal amount of the unissued shares of the relevant class in the capital of the Company at the date hereof; and (b) this authority shall expire unless sooner revoked or altered by the Company in General meeting on the expiry of the period of five years from the date of adoption of these Articles provided that the Directors of the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. The authority hereby given may at any time (subject to the said section 80) be

renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

4. Section 89(1) of the Act shall not apply to any allotment of shares in the Company made in accordance with the authority given under article 3.
5. The Share Capital of the Company is £3,000,000 divided into 500,000 Ordinary Voting Shares of £1 each ("the Voting Shares"); 1,500,000 Ordinary Non-Voting Shares of £1 each ("the Non-Voting Shares"); and 1,000,000 Redeemable Preference Shares of £1 each (the "Preference Shares"). The Voting Shares, the Non-Voting Shares and the Preference Shares shall each have the respective rights as provided below.
6. Only employees of the Company, the Trustee(s) or Baxi may hold Voting Shares in the Company.
7. The rights attaching to the respective classes of shares are as follows:

(1) Income.

The profits of the Company available for distribution in each financial year shall be applied as follows:

- (a) Firstly, in paying to the holders of the Preference Shares a cumulative preferential net of tax dividend of 7.5 pence per annum per share (the "Preference Dividend") to be payable half yearly on 30th April and 31st October in each year ranking in priority to any dividend paid on any other class of shares in the capital of the Company, the first payment to be payable on 31st October 1994 in respect of the period from the date of allotment of the Preference Shares to 31st October 1994.
- (b) Secondly, in paying to the holders of the Voting Shares and the holders of the Non-Voting Shares a dividend ("the Ordinary Dividend").

(c) No Ordinary Dividend shall be recommended by the Directors or declared or paid unless and until:

(i) Any Preference Dividend due in respect of that or any previous financial year has been paid in full.

(ii) All Preference Shares due for redemption have been redeemed.

(2) Capital

On a return of assets in liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:

(a) first in paying to the holders of the Preference Shares £1 per share together with a sum equal to any arrears, deficiency or accruals of the Preference Dividend (such arrears to be calculated down to the date of the return of capital on the basis that such dividends are payable irrespective of whether they have been declared or not).

(b) the balance of such assets shall be distributed equally amongst the holders of the Voting Shares and the holders of the Non-Voting Shares in proportion to the number of shares held by them and pro rata to the capital paid up thereon.

(3) Redemption

(a) Subject to the provisions of the Act and every other Act for the time being in force affecting companies and the Company, the Preference Shares shall be redeemed automatically at par in the numbers of shares on the dates set out below (and so that for this purpose if there is at the date of redemption more than one holder of Preference Shares, the redemption shall take place amongst the shares held by them in proportion to their holdings of such shares, any fractions to be determined by lot supervised by the Directors):

<u>Redemption Date</u>	<u>No. of Shares Redeemable</u>	<u>Total Redemption Price (£)</u>
31 January 1998	81,250	81,250
31 July 1998	81,250	81,250
31 January 1999	81,250	81,250
31 July 1999	56,250	56,250

- (b) If on any such date referred to in (a) above the Company cannot comply with the provisions of the Act relating to redemption, the Preference Shares due to be redeemed on that date shall be redeemed on such later date as the Company shall first be able so to comply. The dividend on each Preference Share shall cease to accrue from the date of its redemption unless, upon delivery of the certificate, payment of the redemption monies is not so made;
- (c) Together with the payment on redemption in (a) or (b) above there shall be paid a sum equal to the dividends and accruals of dividend thereon calculated down to the date of redemption whether such dividend has been earned or declared or not. The dividend thereon shall cease to accrue from the date of redemption unless, upon delivery of the certificate, payment of the redemption monies is not so made;
- (d) The Preference Shares to be redeemed in accordance with the foregoing provisions shall be redeemed by the Company at the registered office of the Company.
- (e) At each of the times specified in sub-clause (a) and (b) above and at the place specified in sub-clause (d) above each registered holder of the Preference Shares shall be bound to surrender to the Company the certificate for the shares which are to be redeemed in order that the same may be cancelled, but upon such surrender the Company shall pay to him the amount payable in respect of such redemption provided that if any certificate so surrendered to

the Company includes any shares not redeemed on the occasion on which it is to be so surrendered a fresh certificate for the balance of the shares not redeemed on that occasion shall be issued to the holder surrendering such certificate to the Company.

(4) Voting

(A) Subject to the special rights and restrictions as to voting attached to the holders of Non-Voting Shares by or in accordance with these Articles on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative or proxy not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative shall have one vote for every one pound in nominal amount of shares of which he is the holder PROVIDED THAT the Preference Shares shall entitle the holders thereof to receive notice of all General Meetings but not to attend thereat or vote thereat unless at the date of notice or requisition to convene the meeting either:

- (a) the Company shall have failed to redeem any of the Preference Shares on the due dates of redemption in respect thereof; or
- (b) any dividend on the Preference Shares or any part thereof is more than one month late in payment (and so that for this purpose such dividends shall be payable on the dates specified in this Article)

in which event such holders shall be entitled at that meeting to vote on all matters;

- (c) the business of the Meeting includes the consideration of a resolution for winding up of the Company or to reduce its share capital or to re-purchase any of its shares; or
- (d) the business of the Meeting includes the consideration of a Resolution which, if passed, would abrogate or adversely vary or

affect any of the rights attaching to the Preference Shares

in which event such holders shall only be entitled to vote on such resolution only.

- (B) The holders of the Non-Voting Shares have no rights to vote other than in relation to the declaration of an Ordinary Dividend recommended by the Directors or in the event of a winding up or proposed winding up or in the variation of their class rights.

8. Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing of the holders of a 75% majority of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, the holders of shares of such class shall, on a poll, have one vote in respect of every share of that class held by them respectively.
9. The lien conferred by Regulation 8 shall also attach to fully paid shares and the Company shall have a first and paramount lien on every share (whether or not fully paid) registered in the name of any person, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company; and Regulation 8 shall be modified accordingly.
10. 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. Regulation 24 shall not apply to the Company.
11. (1) On the occurrence of a Transfer Event an Employee Shareholder shall within fourteen days of a Transfer Event (and in the event of his or her failure, the Directors shall appoint some person to serve a Transfer Notice

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15. A poll may be demanded at any general meeting by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
16. Unless and until otherwise determined by the Company in General Meeting the number of Directors shall be not less than one. Regulation 64 of Table A shall not apply. 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 Clause 89 in Table A shall be modified accordingly.
17. The directors shall not be subject to retirement by rotation and accordingly:-
 - (1) Regulations 73 to 77 inclusive, the last two sentences of Regulation 79, Regulation 80 and the last sentence of Regulation 84 shall not apply to the Company; and
 - (2) Regulation 78 shall apply but with the deletion of the words "subject as aforesaid" and of the words "and may also determine the rotation in which any additional directors are to retire".
18. An alternate director who is himself a director and/or who acts as an alternate director for more than one director shall be entitled, in the absence of his appointor(s), to a separate vote or votes on behalf of his appointor(s) in addition (if he is himself a director) to his own vote. Regulation 88 shall be modified accordingly.
19. A director who declares his interest therein in manner provided by the Act and these Articles may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted, and he shall be counted in the quorum when any such contract or arrangement is under consideration. Regulations 94 to 96 inclusive shall not apply to the Company.
20. No person shall be disqualified from becoming a Director by reason of his attaining or having attained the age of 70 or any other age.
21. A member or members holding a majority in nominal value of the issued Voting Share capital for the time being in the Company shall have power from time to

time and at any time to appoint any person as a director or directors either as an additional director or to fill any vacancy and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same, or in the case of a member being a company signed by one of its directors on its behalf, and shall take effect upon lodgement at the registered office of the Company or such later date as may be specified in the instrument.

22. A meeting of the Board of Directors may, subject to notice thereof having been given to all Directors, be for all purposes deemed to be held when a Director is or Directors are in communication by telephone or audio visual communications media with another Director or other Directors and all of the said Directors agree to treat the meeting as so held, provided always that the number of the said Directors participating in such communication constitutes a quorum of the Board. A Resolution made by a majority of the said Directors in pursuance of this Article shall be as valid as it would have been if made by them at an actual meeting duly convened and held.

138807.

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

138807

MEMORANDUM OF ASSOCIATION OF

BARRHEAD SANITARY WARE LIMITED

1. The Company's name is

BARRHEAD SANITARY WARE LIMITED
2. The Company's Registered Office is to be situated in Scotland.
3. The Company's objects are:-
 - (A) (1) To carry on business as a general commercial company,
 - (2) To hold shares or securities, of or make loans to, one or more subsidiaries of the Company carrying on the after mentioned businesses, or to hold such shares or securities, or make such loans, and to carry on such businesses namely sanitary engineers, designers, manufacturers and merchants of sanitary appliances, earthenware, pipes, tiles and ceramics and all other businesses which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (B) To foster and support the concept of worker co-operatives in its own affairs and in industry and commerce generally.
- (C) To carry on any other trade or business whatsoever which, in the opinion of the Company or the Board of Directors, be advantageously carried on by the Company in connection with or ancillary to any of the general business of the Company or is calculated directly to benefit the Company or enhance the value of or render profitable any of the Company's property or rights or is required by any customers of or persons dealing with the Company.
- (D) To purchase take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patent rights, licences, secret processes, property or any kind necessary or convenient

for the purpose of or in connection with the Company's business or any branch or department thereof.

- (E) To erect, construct, lay down, enlarge, alter and maintain any shops, stores, factories, buildings, works, ways, plant and machinery necessary or convenient for the Company's business, and to contribute to or subsidise the erection, construction and maintenance of any of the above.
- (F) To borrow or raise or secure the payment of money for the purposes of or in connection with the Company's business, and for the purpose of and in connection with the borrowing or raising of money by the Company to become a member of any building society.
- (G) To mortgage and charge the undertaking and all or any of the heritable, moveable, real and personal property and assets, present or future, and to issue at par or at a premium, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- (H) To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities and also by way of security for the performance of any contracts or obligations of the Company or of its customers or other persons or corporations having dealings with the Company, or in whose business or undertakings the Company is interested, whether directly or indirectly.
- (I) To guarantee the payment of any monies and the performance of any contracts, liabilities, duties, obligations or engagements of any company, society, association, body, firm or person, including without prejudice to the foregoing generality any company which is for the time being the Company's holding or subsidiary company as defined by Section 736 of the Companies Act 1985 or any re-enactment thereof or a subsidiary of such holding company, or otherwise associated with the Company in business and whether or not this Company receives directly or indirectly any said payment, performance, obligations and others in such manner of way as the Company may think fit by granting any Mortgage, Charge, Floating Charge, Standard Security, Assignment, Pledge, Lien or other security upon the whole or any part of the Company's undertaking, property, revenue, or assets (whether present or future) including uncalled capital with powers of sale and other usual and necessary powers.
- (J) To receive money on deposit or loan upon such terms as the Company may approve and to guarantee the obligations and contracts of customers and others.
- (K) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.

- (L) To invest and deal with the monies of the Company not immediately required for the purpose of its business in or upon such investments or securities and in such manner as may from time to time be determined.
- (M) To pay for any property or rights acquired by the Company, either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- (N) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise or in fully or partly paid-up shares of any Company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any Company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- (O) To enter in any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation or amalgamate with any Company, firm or person carrying on or proposing to carry on any business within the objects of the Company, and to acquire and hold, sell, deal with or dispose of shares, stock, or securities of any such Company, and to guarantee the contracts or liabilities of, or payment of, the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such Company.
- (P) To establish or promote or concur in establishing or promoting any Company the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of the Company, and to acquire and hold or dispose of shares, stock or securities of and guarantee the payment of dividends, interest or capital on any shares, stock or securities issued by or any other obligations of any such Company.
- (Q) To make charitable donation either in cash or assets which the Company may deem expedient.
- (R) To form, promote, finance or assist any other company whether for the purpose of acquiring all or any of the undertaking, property and assets of the Company or for any other purpose for which the Company may consider to be expedient.
- (S) To establish and maintain or procure the establishment and maintenance to any non-contributory or contributory pension or superannuation funds for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is for the time being the Company's Holding or Subsidiary company as defined by Section 736 of the Companies Act 1985, or otherwise associated with the Company in business or who are or were at any

time Directors or officers of the Company or of any such other dependants of any such persons, and also to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the Company or of any such other company as aforesaid, or of any such persons aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful objects and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.

- (T) To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or Company carrying on any business which this Company is authorised to carry on.
- (U) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.
- (V) To obtain, acquire and purchase all necessary permits, licences or trade marks required for the purpose of enabling the Company to carry on its said business upon such terms and conditions as it may think fit. In carrying out the aforesaid objects the Company shall have regard to promoting the physical, mental and spiritual well-being of the community and especially those who participate in the activities of the Company by reason of employment in or purchasing from or selling to the Company and to assist people in need by any means whatsoever.
- (W) To acquire, purchase, take over and undertake part or all of the business, property, assets and liabilities and transactions of any firm, person or company carrying on any business which the Company is authorised to carry on or which can be carried on in conjunction therewith or is capable of being conducted so as directly or indirectly to benefit the Company or to advance its interests generally.
- (X) To distribute among the members in specie any property of the Company or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital may be made except with the sanction (if any) for the time being required by law.
- (Y) To do all such other things as are incidental or conducive to the above objects or any of them.

And it is hereby declared that in the construction of this clause the word 'company' except where used in reference to the Company shall be deemed to include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Great Britain or elsewhere, and that the objects specified in the different paragraphs of this clause shall, except where otherwise expressed therein, be in nowise limited by reference to any other paragraph or the name of the Company, but may be carried out in as full and ample

a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

4. The liability of the members is limited.
5. The share capital of the Company is £3,000,000 into 500,000 Ordinary Voting Shares of £1 each, 1,500,000 Ordinary Non-Voting Shares of £1 each and 1,000,000 Redeemable Preference Shares of £1 each.
6. We, the several persons whose names and addresses are subscribed, desirous of being formed into a company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions
of Subscribers

Number of Shares taken by each
Subscriber

Stephen Mabbott
Olympic House
142 Queen Street
Glasgow
G1 3BU

One

Company Registration Agent

Peter John Trainer
Hogarth House
43 Queen Street
Edinburgh
EH2 3NY

One

Company Registration Agent

Dated the 4th day of June 1997

Witness to the above signatures

Joanne Waugh
Hogarth House
43 Queen Street
Edinburgh
EH2 3NY

Company Registration Agent

FILE COPY



CERTIFICATE OF INCORPORATION
ON RE-REGISTRATION OF A PUBLIC COMPANY
AS A PRIVATE COMPANY

Company No. 138807

The Registrar of Companies for Scotland hereby certifies that

BARRHEAD SANITARY WARE LIMITED

formerly registered as a public company has this day been re-registered under the Companies Act 1985 as a private company, and that the company is limited.

Given at Companies House, Edinburgh, the 21st July 1997



Diane Roberts
The Registrar Of Companies

COMPANIES HOUSE

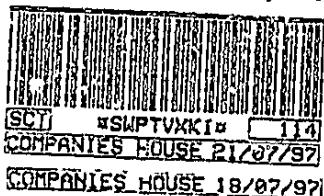
Please complete in typescript,
or in bold black capitals.

Application by a public company for re-registration as a
private company

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Company Number

138807



n full

Barrhead Sanitaryware plc

applies to be re-registered as a private company by the name of:

⓪ Please insert name of company
amended to make it appropriate for
this company as a private limited.

⓪ Barrhead Sanitary Ware Limited

and for that purpose delivers the following documents for registration:

⓪ Please delete if previously
presented for registration

1. ⓪ A copy of the Special Resolution that the company be re-registered
as a private company
2. A printed copy of the memorandum and articles as altered by the
Special Resolution that the company be re-registered as a private
company.

† Please delete as appropriate.

Please give the name, address,
telephone number and, if available,
a DX number and Exchange of
the person Companies House should
contact if there is any query.

Signed

[Signature]
† a director / secretary

Date

1st JULY 1997

Wright Johnston & Mackenzie

12 St Vincent Place

Glasgow G1 2EQ Tel 0141 248 3434

DX number 129 DX exchange Glasgow

When you have completed and signed the form please send it to the
Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF4 3UZ DX 33050 Cardiff
for companies registered in England and Wales

or
Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB
for companies registered in Scotland DX 235 Edinburgh

Form revised March 1995