

THE COMPANIES (NORTHERN IRELAND) ORDER 1986

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

NORTHERN IRELAND WATER LIMITED

1. The Company's name is "**NORTHERN IRELAND WATER LIMITED**".
2. The Company's registered office is to be situated in Northern Ireland.
3. The Company's objects are:
 - (1) To acquire, take over and assume such of the assets and liabilities of the Department for Regional Development 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 and Sewerage Services (Northern Ireland) Order 2006 and to succeed to, carry on and develop the water and sewerage undertaking of that Department or any part or parts of it.
 - (2) To carry on the business of a water undertaker, whether pursuant to an appointment made under the Water and Sewerage Services (Northern Ireland) Order 2006 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 and Sewerage Services (Northern Ireland) Order 2006 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 water, sewage, other

effluent, sludge and other waste, 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 and Sewerage Services (Northern Ireland) Order 2006 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, impound, extract, obtain, take, use, store, treat, discharge, recover, recycle, dump and dispose of water, waste 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, waste 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, to further water conservation, 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, 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 running, operating, managing, supplying, servicing, repairing and dealing in:
 - (A) telecommunication systems, systems of other kinds for the conveyance by any means of sounds, visual images and signals; and
 - (B) 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.
- (19) To provide and supply laboratory, scientific, biological, bio-chemical, technological, analytical and environmental services of all kinds.
- (20) 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.
- (21) 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.
- (22) 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, software, hardware, networks, websites, email and any other means of electronic communication 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.
- (23) To purchase, charter, lease, take or let on hire, operate, use, employ or turn to account, build, equip, service, repair and maintain ships and vessels and craft of every description (including, without limitation, submersible craft),

hovercraft, motor vehicles, railway locomotives, wagon trucks and any means of transport and parts and accessories of all kinds for any of the same.

- (24) 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.
- (25) 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, the internet or other means of electronic communication), 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, the internet and other means of communication.
- (26) 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.
- (27) 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.
- (28) To sell, otherwise dispose of, improve, manage, develop, exploit, lease, mortgage, turn to account, or otherwise deal with any real or personal property or rights whatsoever and any estate or interest in any such property.
- (29) To explore for, acquire and exploit natural resources, lands, waters, claims, wells, mines, minerals, mineral, drilling and mining rights, exploration and production rights, and interests of all descriptions in or relating to the same.
- (30) 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 or activity which the Company is authorised to carry on or which can be carried on in connection with any such business or activity, 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.
- (31) 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.

- (32) 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.
- (33) To borrow or raise money or assume, secure or discharge any debt or obligation (whether of the Company or of any other person howsoever arising) in such manner and on such terms 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.
- (34) To enter into any guarantee, 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 government department or regulatory authority or any company which is a subsidiary undertaking or a parent company of the Company or another subsidiary undertaking of a parent company of the Company or otherwise associated with the Company and whether or not any consideration or advantage is received by the Company.
- (35) 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.
- (36) 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.
- (37) 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.

- (38) 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.
- (39) 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.
- (40) To apply for, promote and obtain any Act of the Northern Ireland Assembly or of the United Kingdom Parliament, or any primary or secondary legislation of any kind, any charter, privilege, concession, licence, appointment, consent, or authorisation of any government, state, department, or other authority or public body (international, national, local, municipal or otherwise) 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.
- (41) To enter into any arrangements with any government, state, department or other authority (international, national, local, municipal, 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, state, department, authority, corporation, company, body or person any charters, contracts, decrees, rights, privileges or concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- (42) To do all or any of the following, namely:
- (A) to establish, provide, carry on, maintain, manage, support, purchase and contribute (in cash or in kind) 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 parent company or is or was a subsidiary undertaking of the Company or any such parent company; or

- (b) any person to whose business the Company or any subsidiary undertaking of the Company is, in whole or in part, a successor directly or indirectly; 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 the Company considers have a moral claim on the Company; and
 - (iii) the spouses, civil partners, widows, widowers, families and dependants of any such individuals as aforesaid; and
- (B) to establish, provide, carry on, maintain, manage, support and provide financial or other 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, civil partners, widows, widowers, families and dependants.
- (43) 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.
 - (44) 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 of the Company and the issue at any time of any securities of the Company or of any other person.
 - (45) To the extent permitted by law, to give any kind of financial assistance, directly or indirectly, for the acquisition of shares in the Company or any parent company of the Company or for the reduction or discharge of any liability incurred for the purpose of such acquisition.
 - (46) To issue, allot and grant options over securities of the Company for cash or otherwise or as security for, or indemnity for, or towards satisfaction of, any liability or obligations 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.
 - (47) To procure the Company to be registered or recognised in any part of the world.
 - (48) 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 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.

- (49) To dispose by any means of the whole or any part of the assets of the Company or of any interest therein.
- (50) To distribute in specie or otherwise by way of dividends or bonus or reduction of capital all or any of the property of 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.
- (51) 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.
- (52) 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:-

- (A) unless the context otherwise requires, words in the singular include the plural and vice versa;
- (B) unless the context otherwise requires, a reference to a person includes a reference to a body corporate (including, without prejudice to the generality of that term, any company which is a parent company of the Company, or is a subsidiary undertaking of the Company or any such parent company, or is associated in any way with the Company) and to an unincorporated body of persons and a reference to a person or company includes a reference to a firm, partnership, corporation, government, state, department or other authority (international, national, local, municipal 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;
- (C) a reference to any property, right or asset includes a reference to any interest in it, and a reference to any liability includes a reference to any loss;
- (D) references to "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible, and the words "include", "including" and "in particular" shall be construed without limitation and without prejudice to the generality of the words preceding them;
- (E) a reference to anything which the Company thinks fit or desirable or considers or which may seem (whether to the Company or at large) expedient, conducive, calculated or capable, or to any similar expression connoting opinion or perception, includes, in relation to any power exercisable by or

matter within the responsibility of the Directors of the Company, a reference to any such thing which the Directors so think or consider or which may so seem to the Directors or which is in the opinion or perception of the Directors;

- (F) the expressions "subsidiary undertaking" and "parent company" have the same meaning as in Article 266 of and Schedule 10A to the Companies (Northern Ireland) Order 1986 or any statutory modification or re-enactment of it;
- (G) nothing in any of the foregoing paragraphs of this clause is to be taken (unless otherwise expressly stated) as requiring or permitting the Company to exercise any power only for the benefit of the Company or only in furtherance of any of its objects;
- (H) 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.

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.

Name of Subscriber

Number of Shares

Department for Regional Development
10-18 Adelaide Street
Belfast
BT2 8GB

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Signed:

Nigel McCormick

Date:

18 March 2005

(A Senior Officer authorised by the Department
and member of the Senior Civil Service)

Witnessed:

Joe Devlin

Date:

18/3/05

