

Our ref WS/K216/SSAS/T301/JP  
Your ref  
Telephone 01737 374255  
Date 27 April 2011



Mr Mark Miserotti  
Pension Practitioner.com  
Daws House  
33-35 Daws Lane  
LONDON  
NW7 4SD

Legal & General  
Assurance Society  
Legal & General House  
Kingswood  
Tadworth  
Surrey KT20 6EU

Telephone 01737 370370  
Fax 01737 362977  
Direct Fax No 01737 375002

Dear Mark

#### Mead House Limited Pension Scheme

I refer to your recent telephone conversation with Becky Karry requesting an update of which Stock Transfer forms have been completed and accepted for the shareholdings.

Unfortunately, I am only able to confirm that the shares with Royal Bank of Scotland Group plc have been re-registered as I have received a letter from Computershare confirming this (copy enclosed). I do not know what other Stock Transfer forms have been accepted.

With regard to which Stock Transfer forms have been completed, I enclose a copy of my email to Gavin McCloskey dated 26 January 2011 detailing my queries concerning the Stock Transfer forms sent to us with his letter of 19 January 2011 and confirm that as yet I have not received a reply. I also refer to Becky Karry's email dated 20 January 2011 to Gavin.

Since this email was sent, the following has taken place:

1. The new share certificate for 2,505 Greenwich Loan Income Fund Limited shares was sent to Gavin on 8 February 2011. This replaces the shares held in Asset Management Investment Company Plc and a new Stock Transfer Form is required.
2. The shares and Warrants held with Primary Water have been consolidated. I therefore enclose new share certificates and look forward to receiving Stock Transfer forms for the ordinary shares (4,000) and Warrants (3,000).
3. On 1 March 2011, I sent Gavin share certificates for 100 and 48 shares in JJB Sports following an open offer and capital reorganisation. I therefore look forward to receiving new Stock Transfer forms.

The TR1 form to re-register the property was returned to you for amendment on 18 April 2011.

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As you are no doubt aware with effect from 26 April 2011, Mr Wormull has changed his address.

I hope this is of assistance but if you have any queries or require any further information please do not hesitate to contact me.

Yours sincerely



Julie Press (Mrs)  
SSAS Service Specialist

encs

JP-JMIS

Date: 18 October 2010

Ref: C0077510332

**Computershare**

SSAS ADMIN  
RECEIVED

19 OCT 2010

LEGAL & GENERAL  
CORPORATE PENSIONS

LEGAL & GENERAL  
ASSURANCE SOCIETY L  
SSAS  
LEGAL & GENERAL HOUSE  
KINGSWOOD  
TADWORTH  
SURREY  
KT20 6EU

T90000

Investor Services

Computershare Investor Services PLC  
PO Box 82  
The Pavilions  
Bridgwater Road  
Bristol BS99 7NH

Telephone 0870 702 0000  
Facsimile 0870 703 6101  
TextPhone users please call 0870 702 0005  
DX 78139  
www.computershare.com

United Kingdom  
Australia  
Channel Islands  
Germany  
Hong Kong  
Ireland  
New Zealand  
Russia  
South Africa  
USA

## Important Notice as at 18 October 2010

LEGAL & GENERAL ASSURANCE SOCIETY L, T301

This communication relates to your holding of THE ROYAL BANK OF SCOTLAND GROUP PLC. It is not a circular and therefore requires your immediate attention.

This letter has been issued as part of our strategy to combat fraud. We have received instructions to transfer part or all of your holding to another person. If you have not recently provided us with an instruction, you may be a victim of fraud and it is vital that you contact us immediately to let us know.

To contact us, please call on free phone 0800 408 1004. If calling from outside the UK, please phone +44 870 703 6321

If however you have recently given us instructions to transfer some or all of your holding then there is no need to take any further action.

Yours faithfully  
Computershare Investor Services PLC

## Press, Julie

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From: Press, Julie  
Sent: 26 January 2011 12:03  
To: 'Gavin McCloskey'  
Cc: 'John Wormull'; 'Brad D'; Karry, Becky  
Subject: Mead House Limited Pension Scheme

Hello Brad,

Further to your letter dated 19 January 2011 enclosing amended stock transfer forms and the Land Registry Form, I set out below my queries regarding the forms:

1. All of the share certificates are registered in the name of Legal & General Assurance Society Limited T301 A/C or A/C T301 so this designation should show on the stock transfer forms. The Experian stock transfer form was returned to you on 4/11/10 as the registrars rejected it because it did not have the designation.
2. The Asset Management shares - these are being replaced by Greenwich Loan Income Fund Limited shares (GLIF shares) so a revised stock transfer will need to be done for these shares when we receive the new share certificate.
3. BP shares - there are 2 x 2,000 BP shares but we have only received a stock transfer for 1 x 2,000 shares.
4. BTG - as mentioned in Becky's email of 20/01/11 to Gavin, Stephen Wormull is not shown on this stock transfer - please confirm if this is correct.
5. Lloyds TSB - there is no transfer for the 4,000 Lloyds TSB shares.
6. Primary Water - the share certificate shows our addresss as KingsWORTH instead of Kingswood but the stock transfer has to reflect the share certificate so the transfer needs amending. Also, Stephen Wormull is not shown on this stock transfer - please confirm if this is correct.  
With my letter of 23/11/10 I enclosed two new share certificates for Primary Water shares and Warrants so we will need stock transfers for these.
7. Resolution Ltd - we have not received a stock transfer for the 1,080 shares.
8. Royal Sun Alliance - we have not received a stock transfer for the 10,000 shares.

Please note for the shares where we have not received a stock transfer it may be because they have already been re-registered, however, I do not recall receiving confirmation from the registrars that those shares have been re-registered.

I look forward to hearing from you regarding the above along with a revised Land Registry TR1 Form in due course.

Many thanks, Julie.

Julie Press  
SSAS Service Specialist  
Workplace Savings  
Legal & General Assurance Society Limited  
Email: julie.press@landg.com  
Email: ssas\_sippdept@landg.com  
Direct Tel: 01737 375723  
Direct Fax: 01737 375002  
Internal Tel: 7100 5723

Pension & Investment Provider Awards:  
Group SIPP Provider of the Year 2010 and 2009

Technology, Administration and Service Awards:  
Group Pensions Provider of the Year 2010 and 2009 Insured/Hybrid SIPP of the Year 2010  
Group SIPP of the Year 2009



SSAS ADMIN  
RECEIVED

17 MAR 2011

LEGAL & GENERAL ASSURANCE SOCIETY LTD A/C T301  
SASS Department  
Legal & General House  
Kingsworth, Tadworth  
Surrey  
KT20 6EU

LEGAL & GENERAL  
CORPORATE PENSIONS11<sup>th</sup> March 2011

Dear Shareholder,

**PRIMARY WATER PLC (the "Company")  
RESULTS OF AGM, BUSINESS UPDATE, PLUS MARKET FLOTATION**

Since I last wrote to you in early December the Company has been busy on a number of different fronts. This letter is to update you on the progress made, as well as notify you of the changes that have been effected.

**RESULT OF AGM & CONSEQUENCES**

Our AGM was held on 30 December 2010 and I am pleased to advise you that all the resolutions proposed at the AGM were passed unanimously.

As a consequence, the issued share capital of the Company of £671,473 has been consolidated from 671,473,000 ordinary shares of 0.1p each into 6,714,730 new ordinary shares of 10p each. In your case this means that your shareholding in this Company is now **4000** new ordinary shares.

I attach your new share certificate in respect of these shares for your safekeeping. As a result, all other share certificates in issue have been cancelled and are no longer valid. Therefore in order to avoid any confusion in the future, we are asking all shareholders to return these old share certificates for cancellation in the enclosed pre-paid envelope. If you cannot locate your existing share certificate, please do not worry as they are no longer of any value.

**BUSINESS UPDATE**

As you are aware Primary Water entered into a Joint Venture ("JV") with Idropan last year. Idropan is based in Milan, Italy and has over 30 years experience in the development and marketing of water purification. The objective of the JV with Idropan, is to develop, produce and exploit a commercial product range of water purification and recovery equipment that can be used across many applications, including ground water desalination (Primary Water's market speciality), water softeners for domestic use, water purification for industrial and medical purposes.

I am pleased to advise that a JV company has been incorporated in Switzerland is called Hydroplim AG and is owned 50% by Primary Water plc. The intellectual property and patents have been exclusively licensed to Hydroplim by Idropan. Hydroplim will continue the development and production of commercial water purification technology and equipment utilising the Plimmer water purification technology.

Primary Water plc.

Registered Office: 4th Floor, 150-152 Fenchurch Street, London, EC3M 6BB  
Registered in England Company Number 6385350

Since the formation of Hydroplim it has:

- Developed and produced a new product – Cubetto - a 'no-salt' low energy water purifier and softener using 'Plimmer' technology. Cubetto was launched in January 2011.
- Set up a Dealers and Distribution Network with 15 dealers already signed.
- Entered into a supply agreement with Siontech Ltd, Korea as alternative source of FTC CDI cells.
- Begun a research and development program with Maxwell Technologies of the USA
- Generated sales from our Alpha and the new Cubetto range
- Entering into a technology development program with Korean government

The Company now has three principal products available utilising [Hydroplim's] Plimmer technology:

1. Cubetto – domestic water softening equipment removes the need of salts;
2. Alpha – commercial drinking water equipment; and
3. Delta – industrial grade water purification equipment for water recovery, ultra-pure and demineralised water production.

Plimmer technology provides the following attributes:

- Simple operation and low operating costs;
- Removes more contaminants than any single water processing technology;
- Water savings - the water recovery rate (ratio of produced water versus the waste from regeneration) is generally above 80%, or about 80 litres in 100 will be made for use with a substantial savings in water demand;
- Energy Savings - the installation of low-voltage technology allows Plimmer to operate with energy consumption levels of only 70w / h per 1000 litres of water produced. This energy saving benefit speaks for itself in a direct comparison with reverse osmosis technology. Plimmer technology will even run from solar panels;
- Auto maintenance of FTC CDI cells using a patented micro dosage of citric acid (active content of lemons) to clean carbon electrodes;
- Intrinsic Robust – modular in design, the technology's logic allows the creation of redundant fail-safe mechanisms in each individual unit of operation thereby not compromising the overall operation;
- No pre-treatment - no specific pre-treatment or conditioning chemicals except a simple solids or organic filter or cartridge to remove coarse particles and turbidity;
- Environmental noise impact –adopts low-pressure technology and essentially produces no noise during operation;
- Plug and Play – up and running in very short timescales.

Marketing has now begun in earnest, with Hydroplim exhibiting at three trade shows in Europe. Cubetto was launched in the UK at Hydroplim's stand at EcoBuild, [www.ecobuild.co.uk](http://www.ecobuild.co.uk), held at the ExCel London exhibition centre at the beginning of March 2011.

## **PLUS MARKET FLOTATION**

The Board has concluded that the proposed PLUS Market flotation should be suspended for the foreseeable future. This decision was reached on the following basis.

The Board has always maintained a very careful watch on a range of issues relating to the proposed flotation. Primarily, these were: the benefits which the Company was seeking and expecting to obtain; the cash cost of the process and the continuing, post-flotation expense; the management time being expended in pursuit of the flotation; and, the potential for taking an alternative route to raising investment cash for the Company.

The Board has reviewed the likely costs and benefits of proceeding with a PLUS flotation, including seeking the views of a range of market professionals, and the alternative route of a private fundraising at this time. At the same time, the Board has concluded that a further round of fundraising would enable it to achieve the Company's business plan more rapidly and has been considering whether this is best served in conjunction with or ahead of a market flotation. In the light of these discussions, the Board has reached the conclusion that the risks, timescale and diversion of management effort involved in proceeding with the PLUS flotation are not justified at present and that it would be preferable to proceed with a private fundraising. It remains the Board's intention to seek a listing on PLUS or other appropriate market as soon as practicable. The Board has discussed the matter with the Company's financial advisers, Rivington Street Corporate Finance Limited ("Rivington Street"), who accept the Board's conclusions; hence, by mutual agreement, the PLUS listing process has been halted and our engagement with Rivington Street has been terminated.

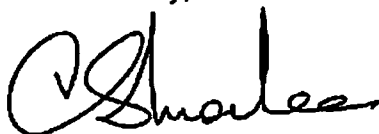
In this light, the Board had to consider whether it was in the best interests of the Company, taken as a whole, to continue to incur costs – primarily fees falling due to the various Advisers – in pursuit of the PLUS Market flotation and to continue to spend management time on that float rather than on trying to drive the Company's business, particularly in respect of the exciting and growing business built around the Plimmer product line. Part of this debate focused on the Company's need for development capital; the need that gave rise to the proposal to float on PLUS in the first place. The Board believes that such capital can be obtained without a float.

The Board realises that this decision raises a new question: how will the Company raise the investment necessary for it to pursue its objectives and grow its business? The Board is already taking steps to answer that question. Meetings have been held, and more are being arranged, with a view to finding one or more private investors who will invest cash into the Company. While this process is proceeding, sales, through the JV, are building up and revenue is beginning to flow from there. Up-dates on the JV and the new products will be issued to you, under separate cover, very soon.

The Board realises that some shareholders will be surprised that the Company will not be taken to the PLUS Market in the near future. However, the Board is sure that this is the correct course of action in the circumstances of the current market and in the best interests of the Company, taken as a whole.

Excluding the suspension of the flotation described above the Company, through the JV has made great progress in the last 3 months and is already becoming a recognised provider of water purification technology and systems with many requests for our products.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C MacNee', with a stylized flourish at the end.

Christopher MacNee  
Chairman

Certificate No

2,322

Class

£0.10 Ordinary

No of Shares

4,000



Registered in United Kingdom, Number 6385350

This is to Certify that

**LEGAL & GENERAL ASSURANCE SOCIETY LTD A/C T301**

of

**SASS Department, Legal & General House, Kingsworth, Tadworth, Surrey, KT20 6EU**

is/are the Registered Holder(s) of **4,000** fully paid **Ordinary Shares** of **£0.10** each in the above-named Company,  
subject to the Articles of Association of the said Company

*This Certificate has been issued on behalf of the Company under its Securities Seal by:*

Authorised  
Signatory

Secretary

Date

30 December 2010

Registered Office Primary Water plc, 4th Floor, 150-152 Fenchurch Street, London, EC3M 6BB, England

NOTE: No transfer of any of the above mentioned shares can be registered until this Certificate  
has been deposited at the Company's Registered Office





**Primary Water plc**  
(Registered in England No.06385350)

**Directors**

Christopher MacNee (Chairman)  
David Andrew  
Barbara Spurrier

**Registered Office**

4<sup>th</sup> Floor  
150-152 Fenchurch Street  
London  
EC3M 6BB

LEGAL & GENERAL ASSURANCE SOCIETY LTD A/C T301  
SASS Department  
Legal & General House  
Kingsworth, Tadworth  
Surrey  
KT20 6EU

11 March 2011

***This circular is intended for circulation to holders of Warrants with terms and conditions approved on 1 November 2010 ("2010 Warrants") granted between 1<sup>st</sup> and 19th November 2010***

Dear LEGAL & GENERAL ASSURANCE SOCIETY LTD A/C T301 ,

**PRIMARY WATER PLC (the "Company")  
ADOPTION OF NEW 2010 WARRANT TERMS AND CONDITIONS**

When you subscribed for new shares pursuant to the rights issue last year, you were granted (1) 2010 Warrant for each (1) new ordinary share issued to you. The 2010 Warrants had an exercise price of 0.15p per share but as a consequence of the share consolidation approved at the Annual General Meeting held on 30 December 2010, pursuant to clause 3 in the current terms and conditions of the warrants, they now have an exercise price of 15p.

You were granted **300000** 2010 Warrants to subscribe for one ordinary share of 0.1p each at a price of 0.15p per share. As a consequence of the share consolidation of the Company's Ordinary Shares referred to above, the number of shares you may apply for has been reduced to **3000** and the exercise price has been increased from 0.15p to 15p per share. The total amount of your subscription remains unchanged at **£450** as a result of this consolidation.

The purpose of the warrant was to allow you to acquire further shares in the Company prior to its proposed admission to the PLUS-quoted market. Under their terms, the 2010 Warrants expire (to the extent that they have not been exercised) on the day the ordinary shares of the Company are admitted to trading on an exchange but there was no requirement to give holders of 2010 Warrants what the directors believe to be enough time to exercise them.

The proposed new terms and conditions ("New 2010 Warrant T&Cs"), a copy of which is included in this Circular, would amend the subscription period to ten days prior to an Exit (where an Exit is defined as sale of the company or Listing) and include a 30 day notice period to allow for enough time to exercise the 2010 Warrants.

**General Meeting**

The implementation of the proposed New 2010 Warrant T&Cs requires the approval at a general meeting of the holders of the 2010 Warrants of the resolution which will adopt new terms and conditions (the "**Resolution 2010W**").

You will find attached this letter a notice convening a general meeting of the holders of 2010 Warrants ("General Meeting 2010W") for **11.30am on Wednesday 6 April 2011 at The Green Room, The Bank of England Sports Centre, Priory Lane, Roehampton, London SW15 5JQ** and a form of proxy for use at the General Meeting 2010W. Whether or not you propose to attend the General Meeting 2010W, you are requested to complete and return the form of proxy as soon as possible in accordance with the instructions printed thereon. To be valid, the form of proxy must be lodged by not later than **11.30am on Monday 4 April 2011**. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

#### **Recommendation**

The Directors consider that the proposed New 2010 Warrant T&Cs are in the best interests of the holders of 2010 Warrants as a whole and unanimously recommend all holders of 2010 Warrants to vote in favour of the Resolution 2010W.

If you have any other queries relating to this exercise you should contact either myself on 020 8099 9850 or Graham Urquhart at Woodside Secretaries Limited (tel 020 3216 2000) to confirm the position.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C MacNee', with a stylized, cursive script.

Christopher MacNee  
Chairman

**Primary Water plc  
(the "Company")**

(Registered in England No. 06385350)

**NOTICE OF GENERAL MEETING**

NOTICE IS HEREBY GIVEN that a General Meeting of the holders of the Company's Warrants issued under the Company's rights issue in 2010 with terms and conditions approved by the directors on 1 November 2010 ('2010 Warrants') will be held at The Green Room, The Bank of England Sports Centre, Priory Lane, Roehampton, London SW15 5JQ on Wednesday 6 April 2011 at 11.30 a.m. for the purpose of considering and, if thought fit, passing the following Special Resolution:-

**SPECIAL RESOLUTION-**

"THAT, the existing Terms and Conditions applying to the warrants authorised by the directors on 9 December 2008 be and they are hereby cancelled with immediate effect and replaced by the new Terms and Conditions, a copy of which are appended to the Notice of this Meeting."

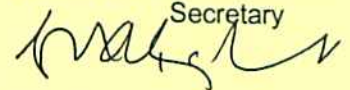
Dated: 11 March 2011

Registered Office:

4<sup>th</sup> Floor  
150-152 Fenchurch Street  
London EC3M 6BB

Notes:

By Order of the Board  
Graham Urquhart FCIS  
Secretary



1. Holders of the 2010 Warrants are entitled to attend at this meeting and vote in respect of the resolution which will be proposed at the meeting. Any holders of 2010 Warrants is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a holder of 2010 Warrants.
2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power or authority) must be deposited with the Company's Registrars, Woodside Secretaries Limited, 4<sup>th</sup> Floor, 150-152 Fenchurch Street, London EC3M 6BB, not later than 11.30 a.m. on 4 April 2011. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude a holder of 2008 Warrants from attending and voting at the meeting if they wish.
3. The Company has specified that only those holders of the Company's 2010 Warrants registered on the register of members of the Company as at 11.30 a.m. on 4 April 2011, or, in the event that the meeting is adjourned, on the register of holders of 2010 Warrants 48 hours before the time of any adjourned meeting shall be entitled to attend and vote at the aforesaid general meeting in respect of the number of such warrants registered in their name at the relevant time. Changes to entries on the register of holders of 2010 Warrants after 11.30 a.m. on 4 April 2011 or, in the event that the meeting is adjourned, on the register of holders of 2008 Warrants less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the meeting.



**Primary Water plc**  
**(the "Company")**  
(Registered in England No. 06385350)

**GENERAL MEETING PROXY FORM**

*To be used at the General Meeting of the holders of the 2010 Warrants to be held at The Green Room, The Bank of England Sports Centre, Priory Lane, Roehampton, London SW15 5JQ on Wednesday 6 April 2011 at 11.30 a.m.*

I/We \_\_\_\_\_ being a holders/holders of 2010 Warrants in the above named Company entitled to attend and vote at the General Meeting of the holders of the 2010 Warrants appoint the Chairman of the Meeting or (see note a)

of

as my/our proxy to vote for me/us on my/our behalf at the said General Meeting to be held on April 2011 at 11.30 a.m. and at any adjournment thereof.

SPECIAL RESOLUTION	FOR	AGAINST	WITHHELD
THAT the existing Terms and Conditions applying to the 2010 Warrants be cancelled and replaced by the new Terms and Conditions attached to the Notice of this Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature .....

Dated ..... 2011

Name in block capitals .....

**NOTES**

- a) If you wish to appoint a proxy or proxies other than the Chairman of the Meeting please insert that person's name and address and delete (initialling the deletion) "the Chairman of the Meeting or". A proxy need not be a holder of 2010 Warrants of the Company. You may attend and vote at the Meeting instead of any proxy appointed by you if you so wish.
- b) Please indicate by inserting 'x' in the appropriate box the way in which your proxy is to vote. If you do not do so, your proxy may vote or abstain as he thinks fit. Your proxy will have the authority to vote at his discretion on any amendment or other motion proposed at the Meeting, including any motion to adjourn the Meeting. This proxy will only be used in the event of a poll being directed or demanded.
- c) This form of proxy must be signed by the appointor or his attorney duly authorised in writing or if the appointor is a corporation this proxy must be executed as a Deed by any two directors or any director and the company secretary or be signed by an officer or attorney duly authorised in writing.
- d) To be valid, this form of proxy duly completed and any power of attorney or other authority (if any) under which it is notarilly certified, or office copy of such power or authority, must be deposited at the office of the Company's Registrars, Woodside Secretaries Limited, 4<sup>th</sup> Floor, 150-152 Fenchurch Street, London EC3M 6BB not less than 48 hours before the time appointed for holding the above Meeting or (as the case may be) adjourned Meeting.
- e) The resolution is set out in full in the Notice of General Meeting.



## PARTICULARS OF THE WARRANT

The terms and conditions attaching to the Warrants will be as follows:-

### 1. Definitions

In these particulars the following expressions have the following meanings:-

**"Articles"** means the Articles of Association of the Company;

**"Board"** means the board of directors of the Company from time to time;

**"business day"** means a day (other than a Saturday or a Sunday) on which banks in the City of London are open for general business;

**"Company"** means Primary Water plc (Company No. 06385350);

**"Control"** a person shall be considered to have "Control" of the Company if that person alone or acting in concert with others is the owner of a majority of the issued shares in the capital of the Company;

**"Exit Date"** means the date on which an Exit takes place;

**"Exit"** means a Sale or Listing;

**"Expiry Date"** means 10 business days before Exit Date;

**"Listing"** the admission of any part of the share capital of the Company or any other company in the same group as the Company to the Official List of London Stock Exchange Limited, any other recognised investment exchange (as defined in section 207 of the Financial Services Act 1986) or any other exchange as the Board may agree;

**"Original Warrant Holder"** means the person to whom these Warrants were initially issued;

**"Sale"** the completion of an agreement for the purchase of Shares (to the extent not already owned by the purchaser or persons acting in concert with the purchaser) and/or for a subscription for Shares by a person who is not a Shareholder or a company controlled by a Shareholder or the Shareholders acting together, resulting in that person acquiring Control of the Company;

**"Shares"** means ordinary shares of £0.1 each in the capital of the Company;

**"Shareholder"** means a registered member of the Company;

**"Shareholders' Agreement"** means any written agreement entered into or agreed to from time to time by the Company and all of the Shareholders;

**"Subscription Date"** means any date on which a Warrant Certificate, with a duly completed Subscription Notice is lodged in accordance with the provisions of paragraph 2.4;

**"Subscription Notice"** means the notice of subscription set out at the end of this Warrant;

**"Subscription Period"** means the period from the date of this instrument and ending on the Expiry Date;

**"Subscription Price"** means the price of 15p per Share at which the Subscription Rights are exercisable or such other price at which the Subscription Rights are exercisable following any adjustment made in accordance with the provisions of paragraph 3;

**"Subscription Rights"** means the right of a Warrant Holder to subscribe for Shares in accordance with the terms and conditions of the Warrants;

**"Warrants"** means the warrants to subscribe, on the terms set out in this document, for Shares;

**"Warrant Holder"** means the person(s) for the time being entered in the register maintained pursuant to paragraph 6 as the holder(s) of the Warrants or (as the context may require) a specific portion of them.

## **2. Subscription Rights**

- 2.1 The Warrant Holder shall have rights, subject to paragraph 2.4, to subscribe in cash at any time and from time to time during the Subscription Period for all or any of the Shares specified on the face of the Warrant at the Subscription Price, payable in full on subscription. The number and/or nominal value of Shares to be subscribed and the Subscription Price will be subject to adjustment as provided in paragraph 3.
- 2.2 It shall be a condition precedent to the exercise by a Warrant Holder of his Subscription Rights that if he is not a Shareholder he shall have agreed to be bound by the terms and conditions of any Shareholders' Agreement (as amended in writing by the parties to it from time to time) by executing a deed of adherence to any such agreement in such form as the Company may require and (if required by the Company) shall have provided to the Company a legal opinion, in a form and from a party acceptable to the Company, confirming due execution of the deed.
- 2.3 The Subscription Rights will not be exercisable in respect of a fraction of a Share.
- 2.4 In order to exercise the Subscription Rights in whole or in part, a Warrant Holder must lodge the Warrant Certificate at the registered office of the Company, having duly completed the Subscription Notice on it, accompanied by a remittance for the Subscription Price of the Shares in respect of which the Subscription Rights are being exercised. Once lodged, a Subscription Notice shall be irrevocable save with the consent of the Board. Warrants in respect of which Subscription Rights have been exercised will be cancelled.
- 2.5 Shares issued pursuant to the exercise of Subscription Rights will be allotted and issued not later than five (5) business days after the relevant Subscription Date and certificates in respect of such Shares will be despatched (at the risk of the person entitled to them) not later than twenty (20) business days after the relevant Subscription Date to the person in whose name the Warrants in respect of which Subscription Rights are exercised are registered at the date of exercise. In the event of a partial exercise of a Warrant Holder's Subscription Rights, the Company shall at the same time issue a fresh Warrant Certificate in the name of the holder for any balance of his Subscription Rights remaining exercisable and the Warrant Certificate representing the Subscription Rights so exercised will be cancelled.

- 2.6 Shares issued pursuant to the exercise of Subscription Rights will be allotted fully paid and shall rank pari passu in all respects from the Subscription Date with the Shares in issue except for cash dividends declared (on or prior to the Subscription Date) to be paid or made by reference to a record date on or after the Subscription Date.

### **3. Adjustment of Subscription Rights**

After any allotment of fully paid Shares by way of capitalisation of profits or reserves or upon any sub-division or consolidation of the Shares whilst any of the Warrants are outstanding, the number and/or nominal value of Shares to be subscribed on any subsequent exercise of the Subscription Rights will be increased or, as the case may be, reduced in due proportion and the Subscription Price will be adjusted as appropriate, with effect from the record date of such capitalisation, sub-division or consolidation. On any such capitalisation, sub-division or consolidation, the auditors for the time being of the Company shall certify the appropriate adjustments and within ten (10) business days thereafter the Company shall cancel the existing Warrants and at the same time issue and send to each Warrant Holder a fresh Warrant Certificate in the name of each Warrant Holder which shall reflect the adjustments referred to in this paragraph 3 to each Warrant Holder's holding of Warrants.

### **4. Other Provisions**

- 4.1 If, whilst any of the Warrants are outstanding, any offer or invitation is made to the holders of the Shares otherwise than by the Company, the Company shall promptly give notice of any such offer or invitation to the Warrant Holder and shall, so far as it is able, procure that at the same time the same offer or invitation is made to the Warrant Holder as if his Subscription Rights had been exercised on the day immediately preceding the date or record date of such offer or invitation on the bases then applicable.
- 4.2 The Company undertakes to use its reasonable endeavours to give the Warrant Holder not less than 30 days written notice of the anticipated occurrence of Expiry Date and reminding the Warrant Holder that the Subscription Rights will expire on the Expiry Date insofar as not exercised prior to that date.
- 4.5 The Warrant Holder agrees to be bound by the terms of the Articles as if they applied to the Warrants in the same way as they apply to the Shares.

### **5. Modification of Rights**

All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is being wound up) be altered or abrogated with the written consent of the holders of not less than 75 per cent of all the Warrants to subscribe for Shares.

### **6. Transfer**

- 6.1 The Warrants shall not, save as expressly provided in paragraph 6.2., be transferable without the prior written consent of all the Shareholders.
- 6.2 The provisions of the Articles of the Company relating to the registration and transfer of Shares shall mutatis mutandis apply to the Warrants. Each Warrant and the Subscription Rights thereby represented will be registered and will be transferable in whole or in part by instrument of transfer in any usual or common form or in any other

form which may be approved by the Board. No transfer of a right to subscribe for a fraction of a Share may be effected.

- 6.3 Following a transfer of a Warrant in accordance with the provisions of this paragraph 6, the Company shall, at the same time as registering any such transfer, issue a fresh Warrant Certificate in the name of the new holder for the Warrants so transferred.

## **7. Notices**

Any notice to be given under or in accordance with this document shall be effectively given if in writing and delivered personally or sent by facsimile or recorded delivery post, in the case of the Company, to its registered office and, in the case of the Warrant Holder, to its registered address or in each case to such other person, address or facsimile number as may have been duly notified, for the purpose of this Clause by the party to whom it is to be given. Any notice delivered or sent under the provisions of this paragraph 7 shall be deemed to be duly served:-

- (a) if delivered personally on the first business day following the date of delivery;
- (b) if sent by facsimile on the first business day following the day on which the facsimile is sent providing that the facsimile was properly addressed and disclosed the number of pages transmitted on its front sheet and that the transmission report produced indicates that each of the pages of the facsimile was received at the correct facsimile number;
- (c) if sent by recorded delivery post on the date of delivery.

## **8. Governing Law**

This instrument shall be governed by and construed in accordance with English law and the English Courts shall have exclusive jurisdiction in respect of any matter arising on this instrument.



## SUBSCRIPTION NOTICE

**To: PRIMARY WATER PLC (the "Company")**

I/We being the holder(s) of the Warrants represented by this Warrant Certificate of which this notice forms part, hereby give notice of my/our election to exercise my/our Subscription Rights in respect of all [or specify the number of Warrants in respect of which Subscription Rights are to be exercised] of the Ordinary Shares of 10p each in the Company for which I am/we are entitled to subscribe in accordance with the particulars endorsed on this certificate and enclose my/our cheque for £[ ] in favour of the Company in respect of the Subscription Price.

### PART A

I/We accept all the fully paid Ordinary Shares of the Company to be issued pursuant hereto subject to the Memorandum and Articles of the Company. I/We authorise and direct the Company to register all of such Ordinary Shares in my/our name(s) and thereby authorise the entry of my/our name(s) in the register of members in respect of them and the despatch of a certificate for them by ordinary post at my/our risk to [name] at [address].

Note: If this space is left blank, the certificate and any cheque will be sent to the registered address of the Warrant Holder on the Register.

I/We [enclose a deed of adherence in accordance with the provisions of paragraph 2.2 of the Warrants, together with a legal opinion confirming due execution of the deed] [am/are already bound by an agreement of the kind referred to in paragraph 2.2 of the Warrants].

### PART B

I/We hereby authorise the despatch of a certificate for the balance (if any) of the Warrants represented by this Warrant Certificate in respect of which Subscription Rights have not [become exercisable and/or] been exercised by ordinary post at my/our risk to [ ] at [ ].

Note:- If this space is left blank, the certificate(s) will be sent to the registered address of the Warrant Holder on the Register.

.....  
Signature(s) of Warrant Holder(s)

DATED this [ ] day of [ ] [ ]

JP. CORRE

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Woodside Corporate Services Limited

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18 April 2011

LEGAL & GENERAL ASSURANCE SOCIETY LTD A/C T301  
SASS Department  
Legal & General House  
Kingsworth, Tadworth  
Surrey  
KT20 6EU

SSAS ADMIN  
RECEIVED

20 APR 2011

LEGAL & GENERAL  
CORPORATE PENSIONS

Dear Warrantholder,

**PRIMARY WATER PLC (the "Company") – New Warrant Certificates**

Further to the AGM of the Company, where the shares and warrants were consolidated from ordinary shares with a nominal value of 0.1p to 10p, a general meeting of warrantholders, with Warrants that had terms and conditions approved by the directors on 1 November 2010 ("2010 Warrants"), was held on 6 April 2011 and I am pleased to advise you that the resolution proposed at the meeting was passed unanimously.

As a consequence of these meetings, the number of 2010 Warrants you hold has been reduced in line with the consolidation and the terms and conditions of your 2010 Warrants have been changed. I enclose herewith your new 2010 Warrants certificate and the new terms and conditions associated with them for your safe keeping. In your case you now hold **3,000** new 2010 Warrants.

As a result, all other 2010 Warrant certificates in issue have been cancelled and are no longer valid. Therefore in order to avoid any confusion in the future, we are asking all warrantholders to return these old 2010 Warrant certificates for cancellation in the enclosed pre-paid envelope. If you cannot locate your old 2010 Warrant certificate, please do not worry as they are no longer valid.

Please note that there is no immediate requirement for you to exercise your Warrants should you wish to do so. However, the Directors have stated that the Company is about to launch a rights issue to all shareholders to fund their joint venture, as described at the meeting on 6 April 2011, prior to seeking money from institutional investors. The Directors have indicated that the subscription price of this rights issue is likely to be 18p per new ordinary share, a 20% increase on the last offer price, reflecting the progress the Company has made in the last six months.

Yours sincerely,



G K Urquhart  
Director

Registered Office : 4<sup>th</sup> Floor, 150-152 Fenchurch Street, London EC3M 6BB  
Registered in England No. 6171085

☎ 020 3216 2000  
☎ 020 3216 2002  
✉ [graham@woodsidesecretaries.co.uk](mailto:graham@woodsidesecretaries.co.uk)

*Authorised and Regulated by The Financial Services Authority*

Certificate No. 2010/1341

Number of Warrants 3,000  
(number of Ordinary Shares which holder is  
entitled to subscribe)

## PRIMARY WATER PLC

(Company No. 06385350)

(Incorporated under the Companies Act 2006)

### WARRANTS

representing subscription rights for Ordinary Shares in the Company

Issued under the authority of the Memorandum of Association of **PRIMARY WATER PLC** (the "Company") and pursuant to a resolution passed at a general meeting of Warrant holders on 6 April 2011.

#### ***THIS IS TO CERTIFY THAT***

**LEGAL & GENERAL ASSURANCE SOCIETY LTD A/C T301**

of

**SASS Department Legal & General House Kingsworth, Tadworth Surrey KT20 6EU**

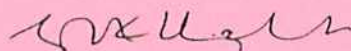
is the registered holder of Warrants which entitle the holder to acquire one fully paid Ordinary Shares of £0.1 each in the Company per Warrant in accordance with the provisions attached to this Certificate.

DATED: 6 April 2011

SIGNED as a Deed by  
for and on behalf of **PRIMARY WATER PLC**



Authorised Signatory



Company Secretary



**primarywater**







## PARTICULARS OF THE WARRANT

The terms and conditions attaching to the Warrants will be as follows:-

### 1. Definitions

In these particulars the following expressions have the following meanings:-

**"Articles"** means the Articles of Association of the Company;

**"Board"** means the board of directors of the Company from time to time;

**"business day"** means a day (other than a Saturday or a Sunday) on which banks in the City of London are open for general business;

**"Company"** means Primary Water plc (Company No. 06385350);

**"Control"** a person shall be considered to have "Control" of the Company if that person alone or acting in concert with others is the owner of a majority of the issued shares in the capital of the Company;

**"Exit Date"** means the date on which an Exit takes place;

**"Exit"** means a Sale or Listing;

**"Expiry Date"** means 10 business days before Exit Date;

**"Listing"** the admission of any part of the share capital of the Company or any other company in the same group as the Company to the Official List of London Stock Exchange Limited, any other recognised investment exchange (as defined in section 207 of the Financial Services Act 1986) or any other exchange as the Board may agree;

**"Original Warrant Holder"** means the person to whom these Warrants were initially issued;

**"Sale"** the completion of an agreement for the purchase of Shares (to the extent not already owned by the purchaser or persons acting in concert with the purchaser) and/or for a subscription for Shares by a person who is not a Shareholder or a company controlled by a Shareholder or the Shareholders acting together, resulting in that person acquiring Control of the Company;

**"Shares"** means ordinary shares of £0.1 each in the capital of the Company;

**"Shareholder"** means a registered member of the Company;

**"Shareholders' Agreement"** means any written agreement entered into or agreed to from time to time by the Company and all of the Shareholders;

**"Subscription Date"** means any date on which a Warrant Certificate, with a duly completed Subscription Notice is lodged in accordance with the provisions of paragraph 2.4;

**"Subscription Notice"** means the notice of subscription set out at the end of this Warrant;

**"Subscription Period"** means the period from the date of this instrument and ending on the Expiry Date;

**"Subscription Price"** means the price of 15p per Share at which the Subscription Rights are exercisable or such other price at which the Subscription Rights are exercisable following any adjustment made in accordance with the provisions of paragraph 3;

**"Subscription Rights"** means the right of a Warrant Holder to subscribe for Shares in accordance with the terms and conditions of the Warrants;

**"Warrants"** means the warrants to subscribe, on the terms set out in this document, for Shares;

**"Warrant Holder"** means the person(s) for the time being entered in the register maintained pursuant to paragraph 6 as the holder(s) of the Warrants or (as the context may require) a specific portion of them.

## **2. Subscription Rights**

- 2.1 The Warrant Holder shall have rights, subject to paragraph 2.4, to subscribe in cash at any time and from time to time during the Subscription Period for all or any of the Shares specified on the face of the Warrant at the Subscription Price, payable in full on subscription. The number and/or nominal value of Shares to be subscribed and the Subscription Price will be subject to adjustment as provided in paragraph 3.
- 2.2 It shall be a condition precedent to the exercise by a Warrant Holder of his Subscription Rights that if he is not a Shareholder he shall have agreed to be bound by the terms and conditions of any Shareholders' Agreement (as amended in writing by the parties to it from time to time) by executing a deed of adherence to any such agreement in such form as the Company may require and (if required by the Company) shall have provided to the Company a legal opinion, in a form and from a party acceptable to the Company, confirming due execution of the deed.
- 2.3 The Subscription Rights will not be exercisable in respect of a fraction of a Share.
- 2.4 In order to exercise the Subscription Rights in whole or in part, a Warrant Holder must lodge the Warrant Certificate at the registered office of the Company, having duly completed the Subscription Notice on it, accompanied by a remittance for the Subscription Price of the Shares in respect of which the Subscription Rights are being exercised. Once lodged, a Subscription Notice shall be irrevocable save with the consent of the Board. Warrants in respect of which Subscription Rights have been exercised will be cancelled.
- 2.5 Shares issued pursuant to the exercise of Subscription Rights will be allotted and issued not later than five (5) business days after the relevant Subscription Date and certificates in respect of such Shares will be despatched (at the risk of the person entitled to them) not later than twenty (20) business days after the relevant Subscription Date to the person in whose name the Warrants in respect of which Subscription Rights are exercised are registered at the date of exercise. In the event of a partial exercise of a Warrant Holder's Subscription Rights, the Company shall at the same time issue a fresh Warrant Certificate in the name of the holder for any balance of his Subscription Rights remaining exercisable and the Warrant Certificate representing the Subscription Rights so exercised will be cancelled.

- 2.6 Shares issued pursuant to the exercise of Subscription Rights will be allotted fully paid and shall rank pari passu in all respects from the Subscription Date with the Shares in issue except for cash dividends declared (on or prior to the Subscription Date) to be paid or made by reference to a record date on or after the Subscription Date.

### **3. Adjustment of Subscription Rights**

After any allotment of fully paid Shares by way of capitalisation of profits or reserves or upon any sub-division or consolidation of the Shares whilst any of the Warrants are outstanding, the number and/or nominal value of Shares to be subscribed on any subsequent exercise of the Subscription Rights will be increased or, as the case may be, reduced in due proportion and the Subscription Price will be adjusted as appropriate, with effect from the record date of such capitalisation, sub-division or consolidation. On any such capitalisation, sub-division or consolidation, the auditors for the time being of the Company shall certify the appropriate adjustments and within ten (10) business days thereafter the Company shall cancel the existing Warrants and at the same time issue and send to each Warrant Holder a fresh Warrant Certificate in the name of each Warrant Holder which shall reflect the adjustments referred to in this paragraph 3 to each Warrant Holder's holding of Warrants.

### **4. Other Provisions**

- 4.1 If, whilst any of the Warrants are outstanding, any offer or invitation is made to the holders of the Shares otherwise than by the Company, the Company shall promptly give notice of any such offer or invitation to the Warrant Holder and shall, so far as it is able, procure that at the same time the same offer or invitation is made to the Warrant Holder as if his Subscription Rights had been exercised on the day immediately preceding the date or record date of such offer or invitation on the bases then applicable.
- 4.2 The Company undertakes to use its reasonable endeavours to give the Warrant Holder not less than 30 days written notice of the anticipated occurrence of Expiry Date and reminding the Warrant Holder that the Subscription Rights will expire on the Expiry Date insofar as not exercised prior to that date.
- 4.5 The Warrant Holder agrees to be bound by the terms of the Articles as if they applied to the Warrants in the same way as they apply to the Shares.

### **5. Modification of Rights**

All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is being wound up) be altered or abrogated with the written consent of the holders of not less than 75 per cent of all the Warrants to subscribe for Shares.

### **6. Transfer**

- 6.1 The Warrants shall not, save as expressly provided in paragraph 6.2., be transferable without the prior written consent of all the Shareholders.
- 6.2 The provisions of the Articles of the Company relating to the registration and transfer of Shares shall mutatis mutandis apply to the Warrants. Each Warrant and the Subscription Rights thereby represented will be registered and will be transferable in whole or in part by instrument of transfer in any usual or common form or in any other

form which may be approved by the Board. No transfer of a right to subscribe for a fraction of a Share may be effected.

- 6.3 Following a transfer of a Warrant in accordance with the provisions of this paragraph 6, the Company shall, at the same time as registering any such transfer, issue a fresh Warrant Certificate in the name of the new holder for the Warrants so transferred.

**7. Notices**

Any notice to be given under or in accordance with this document shall be effectively given if in writing and delivered personally or sent by facsimile or recorded delivery post, in the case of the Company, to its registered office and, in the case of the Warrant Holder, to its registered address or in each case to such other person, address or facsimile number as may have been duly notified, for the purpose of this Clause by the party to whom it is to be given. Any notice delivered or sent under the provisions of this paragraph 7 shall be deemed to be duly served:-

- (a) if delivered personally on the first business day following the date of delivery;
- (b) if sent by facsimile on the first business day following the day on which the facsimile is sent providing that the facsimile was properly addressed and disclosed the number of pages transmitted on its front sheet and that the transmission report produced indicates that each of the pages of the facsimile was received at the correct facsimile number;
- (c) if sent by recorded delivery post on the date of delivery.

**8. Governing Law**

This instrument shall be governed by and construed in accordance with English law and the English Courts shall have exclusive jurisdiction in respect of any matter arising on this instrument.



## **SUBSCRIPTION NOTICE**

**To: PRIMARY WATER PLC (the "Company")**

I/We being the holder(s) of the Warrants represented by this Warrant Certificate of which this notice forms part, hereby give notice of my/our election to exercise my/our Subscription Rights in respect of all [or specify the number of Warrants in respect of which Subscription Rights are to be exercised] of the Ordinary Shares of 10p each in the Company for which I am/we are entitled to subscribe in accordance with the particulars endorsed on this certificate and enclose my/our cheque for £[ ] in favour of the Company in respect of the Subscription Price.

### **PART A**

I/We accept all the fully paid Ordinary Shares of the Company to be issued pursuant hereto subject to the Memorandum and Articles of the Company. I/We authorise and direct the Company to register all of such Ordinary Shares in my/our name(s) and thereby authorise the entry of my/our name(s) in the register of members in respect of them and the despatch of a certificate for them by ordinary post at my/our risk to [name] at [address].

Note: If this space is left blank, the certificate and any cheque will be sent to the registered address of the Warrant Holder on the Register.

I/We [enclose a deed of adherence in accordance with the provisions of paragraph 2.2 of the Warrants, together with a legal opinion confirming due execution of the deed] [am/are already bound by an agreement of the kind referred to in paragraph 2.2 of the Warrants].

### **PART B**

I/We hereby authorise the despatch of a certificate for the balance (if any) of the Warrants represented by this Warrant Certificate in respect of which Subscription Rights have not [become exercisable and/or] been exercised by ordinary post at my/our risk to [ ] at [ ].

Note:- If this space is left blank, the certificate(s) will be sent to the registered address of the Warrant Holder on the Register.

.....  
Signature(s) of Warrant Holder(s)

DATED this [ ] day of [ ] [ ]