ANGLIAN WATER (OSPREY) FINANCING PLC

(*incorporated with limited liability in England and Wales with registered number 07476767*)

(*Legal Entity Identifier: 21380072JDZ74GW9ZY87*)

£10,000,000,000

Guaranteed Secured Medium Term Note Programme

unconditionally and irrevocably guaranteed by

Osprey Acquisitions Limited

(*incorporated with limited liability in England and Wales with registered number 05915896*)

Osprey Investco Limited

(*incorporated with limited liability in England and Wales with registered number 13379422*)

Under the Guaranteed Secured Medium Term Note Programme described in this Prospectus (the "**Programme**"), Anglian Water (Osprey) Financing Plc (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time on or after the date of this Prospectus issue Guaranteed Secured Medium Term Notes (the "**Notes**") guaranteed unconditionally and irrevocably by Osprey Acquisitions Limited ("**MidCo**") and Osprey Investco Limited ("**PledgeCo**", and together with MidCo, the "**Guarantors**") (the "**Guarantee**"). The aggregate nominal amount of Notes outstanding will not at any time exceed £10,000,000,000 (or the equivalent in other currencies).

Application has been made to the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**") (the "**FCA**") for Notes issued under the Programme for the period of 12 months from the date of this Prospectus to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange Plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's Main Market (the "**Market**"). References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended "**EUWA**") (the "**UK MiFIR**").

This Prospectus has been approved by the FCA in accordance with the FCA Handbook Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the "**PRM**") made pursuant to its rule-making powers under the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the rules in PRM. Such approval should not be considered as an endorsement of either the Issuer or the Guarantors or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

Each Series (as defined in "*Overview of the Programme - Method of Issue*") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent Global Note in bearer form (each a "**permanent Global Note**"). If the Global Notes are stated in the relevant Final Terms to be issued in new global note ("**NGN**") form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates ("**Global Certificates**"). If a Global Certificate is held under the New Safekeeping Structure (the "**NSS**"), the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £10,000,000,000 (or the equivalent in other currencies at the date of issue).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under the section entitled "*Overview of the Programme*" and any additional Dealers appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to purchase such Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes (as defined in "*Overview of the Programme – Method of Issue*") will be set out in the relevant Final Terms which will be listed on the London Stock Exchange and filed with the FCA.

Interests in the temporary Global Notes will be exchangeable for interests in a permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant Issue Date, upon certification as to non-U.S. beneficial ownership.

Each purchaser of a Note will be deemed, by its acceptance or purchase thereof, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of such Note, as described in this Prospectus, and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases (see "**Subscription and Sale**").

Tranches of Notes to be issued under the Programme will be rated or unrated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Each Tranche of Notes is expected on issue to have the following credit ratings from the respective credit rating agencies below. The credit ratings will be specified in the relevant Final Terms.

Fitch

BBB-

The credit ratings included or referred to in this Prospectus for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the "**EU CRA Regulation**") will be issued by Fitch Ratings Ltd. ("**Fitch**"), which is established in the United Kingdom and registered in accordance with Regulation (EC) No.1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Fitch is not established in the European Union ("**EU**") and has not applied for registration under the EU CRA Regulation.

An investment in Notes under the Programme involves certain risks. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus.

Arranger

Barclays

Dealers

Bank of China
BNP PARIBAS
CIBC Capital Markets
HSBC
J.P. Morgan
Morgan Stanley
NatWest
Barclays
CaixaBank
Deutsche Bank
ING
Lloyds Bank Corporate Markets
MUFG Securities EMEA plc
SMBC

The date of this Prospectus is 13 October 2026.

IMPORTANT NOTICES

This Prospectus comprises a base prospectus ("**Base Prospectus**") for the purposes of the PRM.

This Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on the Market. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

The Issuer and the Guarantors accept responsibility for the information contained in this Prospectus and each Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer and the Guarantors, the information contained in this Prospectus is in accordance with the facts and the Prospectus does not omit anything likely to affect the import of such information.

Copies of the relevant Final Terms will be available from the registered office of the Issuer and the specified office set out below of the Paying Agents and (in the case of Notes listed on the Official List and admitted to trading on the Market) will be published on the website of the London Stock Exchange (https://www.londonstockexchange.com/news).

This Prospectus is to be read in conjunction with all information which is incorporated herein by reference (see "Documents Incorporated by Reference" and the relevant Final Terms). This Prospectus shall be read and construed on the basis that such information is incorporated into and forms part of this Prospectus. Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors or any of the Dealers or the Arranger (as defined in "*Overview of the Programme*") or any of their respective affiliates. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantors since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes and the Guarantee in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantors, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes and the Guarantee may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**") in the case of Registered Notes, or as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder in the case of Bearer Notes). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "*Subscription and Sale*".

BENCHMARKS REGULATION - Amounts payable under the Notes may be calculated by reference to (i) Euro Interbank Offered Rate ("**EURIBOR**"), which is provided by the European Money Markets Institute (the

"**EMMI**") or (ii) Sterling Overnight Index Average ("**SONIA**"), which is provided by the Bank of England. As at the date of this Prospectus, the EMMI is on the register of administrators and benchmarks established and maintained by the Financial Conduct Authority ("**FCA**") pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**EU Benchmarks Regulation**") as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**").

As far as the Issuer and the Guarantors are aware, SONIA does not fall within the scope of the UK Benchmarks Regulation by virtue of Article 2 of that regulation. The registration status of any administrator under the UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Prospectus to reflect any change in the registration status of the administrator.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

MiFID II product governance / target market - The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market

assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

CANADIAN SECURITIES LAW - This notice applies only in respect of an offer of eligible foreign securities (as that term is defined in applicable Canadian securities laws). Unless the Notes are distributed concurrently to investors in Canada and the United States, this notice is directed at investors in or subject to the securities laws of provinces of Alberta, British Columbia and Ontario only.

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions ("NI 45-106") or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations ("NI 31-103"). Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment or supplement thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to exemptions available under the securities laws of the provinces of Alberta, British Columbia and Ontario, or, with respect to Notes that are distributed concurrently to investors in Canada and the United States, pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of the Notes.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantors or the Dealers or any of their respective affiliates to subscribe for, or purchase, any Notes.

No representation, warranty or undertaking, express or implied, is made and, to the fullest extent permitted by law, none of the Dealers, the Arranger, or any of their respective affiliates, the Security Trustee, the Note Trustee or the Issuing and Paying Agent accepts any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by the Arranger, the Dealers, or any of their respective affiliates, the Security Trustee, the Note Trustee or the Issuing and Paying Agent or on its behalf in connection with the Issuer, the Guarantors, or the issue and offering of the Notes. Each of the Arranger, the Dealers, or any of their respective affiliates, the Security Trustee, the Note Trustee and the Issuing and Paying Agent accordingly disclaims all and any liability, whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

No person is or has been authorised by any of the Arranger, the Dealers, or any of their respective affiliates, the Note Trustee, the Security Trustee or the Issuing and Paying Agent to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Arranger, the Dealers, or any of their respective affiliates, the Note Trustee, the Security Trustee or the Issuing and Paying Agent.

Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantors, the Arranger, the Dealers, or any of their respective affiliates, the Security Trustee, the Note Trustee or the Issuing and Paying Agent that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers, the Arranger, or any of their respective affiliates, the Security Trustee, the Note Trustee nor the Issuing and Paying Agent undertakes to review the financial condition or affairs of the Issuer or the Guarantors during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Arranger, or any of their respective affiliates, the Security Trustee, the Note Trustee or the Issuing and Paying Agent.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and the Guarantors is correct at any time subsequent to the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantors since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. None of the Arranger, the Dealers, or any of their respective affiliates, the Note Trustee, the Security Trustee or the Issuing and Paying Agent expressly undertakes to review the financial condition or affairs of any of the Issuer or the Guarantors during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review the most recently published documents incorporated by reference into this Prospectus when deciding whether or not to purchase any Notes.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Arranger, the Dealers, or any of their respective affiliates, the Note Trustee, the Security Trustee or the Issuing and Paying Agent represents that this Prospectus may be lawfully distributed, nor that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Arranger, the Dealers, or any of their respective affiliates, the Note Trustee, the Security Trustee or the Issuing and Paying Agent which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the EEA, the United Kingdom, Belgium, Japan, Australia, Switzerland and Canada. See the section entitled "*Subscription and Sale*".

In making an investment decision, investors must rely on their own examination of the Issuer and the Guarantors and the terms of the Notes being offered, including the merits and risks involved. None of the Arranger, the Dealers, or any of their respective affiliates, the Note Trustee, the Security Trustee or the Issuing and Paying Agent makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets;

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and

(vi) understand the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the relevant Notes.

In addition, an investment in Notes linked to other bases of reference may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out below in "*Risk Factors – Risks relating to the structure of a particular issue of Notes*".

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal and/or financial advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In connection with the issue of any Tranche (as defined in "*Overview of the Programme – Method of Issue*"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation will not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules. Any loss or profit sustained as a consequence of any such over-allotment or stabilising shall, as against the Issuer, be for the account of the Stabilising Manager(s).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any parent company or affiliate of the Dealers is a licensed broker or dealer in that jurisdiction and so agrees, the offering shall be deemed to be made by the Dealers or such parent company or affiliate on behalf of the Issuer in such jurisdiction.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "£", "Pounds", "Sterling", "sterling" or "GBP" are to the lawful currency of the United Kingdom, references to "$", "U.S. Dollars" or "U.S. $" are to the lawful currency of the United States, references to "€", "euro", "Euro" or "EUR" are to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, references to "Australian dollars" and "A$" are to the lawful currency of Australia and references to "Canadian dollars" and "CAD" are to the lawful currency of Canada.

This Prospectus has not been approved for the purpose of the issue of index-linked notes and the Issuer may not issue index-linked notes pursuant to this Prospectus.

SUSTAINABILITY-LINKED FINANCE FRAMEWORK SECOND-PARTY OPINIONS AND EXTERNAL VERIFICATION

In connection with the issue of Step Up Notes under the Programme, the Issuer or the Guarantors may request a provider of second-party opinions to issue a Sustainability-Linked Finance Framework Second-party Opinion (each as defined in the Risk Factors: "*Notes issued, if any, as Step Up Notes may not be a suitable investment for all investors seeking exposure to sustainable assets*", "*Step Up Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics*" and "*The baseline that Sustainability Performance Targets are measured against in relation to Step Up Notes may change during the life of any Step Up Notes*" below), as the case may be. Each such Sustainability-Linked Finance Framework Second-party Opinion will be accessible at: *www.anglianwater.co.uk*. However, any information on, or accessible through the website and the information in such opinions or report is not part of this Prospectus and should not be relied upon in connection with making any investment decision with respect to any Notes to be issued under the Programme.

In addition, no assurance or representation is given by the Issuer, the Guarantors, the Arranger, the Dealers or any other member of their group, second party opinion providers or the External Verifier as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of any Step Up Notes under the Programme. Any such opinion, report or certification and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

1. This Prospectus should be read and construed in conjunction with the following sections of the base prospectus in respect of the Anglian Water Services Financing Plc €20,000,000,000 Global Secured Medium Term Note Programme base prospectus dated 13 October 2026 (the "**AWS Base Prospectus**") which shall be incorporated in and form part of this Prospectus:

		Section Title/Reference	**Page(s)**
1.1		The following Risk Factors:	16-59
	(i)	Paragraph 1.1 – Risks relating to the Issuer – Regulatory, Legislative and Political Risks;	16-26
	(ii)	Paragraph 1.2 – Risks relating to the Issuer – Failure to meet costs allowed under price controls;	26-29
	(iii)	Paragraph 1.3 – Risks relating to the Issuer – Penalties and Rewards;	29-31
	(iv)	Paragraph 1.4 – Risks relating to the Issuer – Legal Considerations;	31-36
	(v)	Paragraph 1.5 – Risks relating to the Issuer – Environmental and Insurance Considerations;	36-40
	(vi)	Paragraph 1.6 – Risks relating to the Issuer – Financing Considerations;	41-43
	(vii)	Paragraph 1.7 – Risks relating to all Bond Issuances; and	43-48
	(viii)	Paragraph 1.8 – Risks relating to the structure of a particular issue of Bonds.	48-59
1.2		Chapter 1 – Parties	66-70
1.3		Chapter 4 – Anglian Water Business Description	94-106
1.4		Chapter 5 – Ring-Fencing and the Anglian Water Services Financing Group	107-125
1.5		Chapter 6 – Financing Structure	126-203
1.6		Chapter 11 – Regulation of the Water and Water Recycling Industry in England and Wales	328-371
1.7		Chapter 12 – Licence Conditions – Anglian Water's Control over its Operations	372
1.8		Chapter 16 – General Information	407-411
1.9		Chapter 17 – Index of Defined Terms	412-457

The Issuer is a special purpose financing entity with no business operations other than raising external funding for MidCo through the issuance of the Notes and other debt finance. The principal assets of MidCo are the equity interests it directly or indirectly holds in its operating Subsidiary, Anglian Water Services Limited, which is the operating company of the Anglian Water Services Financing Group (as defined below) (see "*Risk Factors – 1. Risks relating to the Issuer and the Guarantors – Corporate Structure and Financing Considerations*"). The AWS Base Prospectus relates to the Anglian Water Services Financing Group and, accordingly, the sections of the AWS Base Prospectus which are incorporated in and form part of this Prospectus are relevant for prospective investors when making their investment decision. The AWS Base Prospectus was published and approved by the FCA on 13 October 2026.

2. This Prospectus should also be read and construed in conjunction with (i) the Terms and Conditions of the Notes as contained at pages 40 to 84 (inclusive) of the offering circular dated 9 October 2024 and (ii) the Terms and Conditions of the Notes as contained at pages 40 to 84 (inclusive) of the offering circular dated 9 October 2025.

3. This Prospectus should also be read and construed in conjunction with the AWS audited annual consolidated financial results for the year ended 31 March 2026 with the audit report thereon, which shall be incorporated in and form part of this Prospectus, and which have been previously published or are published simultaneously with this Prospectus and have been approved by the FCA or filed with it.

4. This Prospectus should also be read and construed in conjunction with the following, which shall be incorporated in and form part of this Prospectus: (i) for each of the financial years ended 31 March 2025 and 31 March 2026, the audited annual financial statements of MidCo, (ii) for each of the financial years ended 31 March 2025 and 31 March 2026, the audited financial statements of the Issuer, and (iii) for the financial years ended 31 March 2025 and 31 March 2026, the audited financial statements of PledgeCo, together, in each case, with the audit report thereon, which have been previously published or are published simultaneously with this Prospectus and which have been approved by the FCA or filed with it.

5. This Prospectus should also be read and construed in conjunction with the following, which shall be incorporated in and form part of this Prospectus: (i) future audited annual financial statements of MidCo and future unaudited interim financial statements of MidCo, (ii) future audited annual financial statements of the Issuer and future unaudited interim financial statements of the Issuer, (iii) future audited annual financial statements of PledgeCo, and (iv) future audited annual consolidated financial results of AWS and future reviewed interim consolidated financial results of AWS, in case of each audited financial statements, with the audit report thereon, when any such financial statements, in case of each audited financial statements, with the audit report thereon, are published on https://www.anglianwatergroup.co.uk/debt-investors/results-and-financial-statements and the website of the Regulatory News Service operated by the London Stock Exchange at https://www.londonstockexchange.com/news in accordance with the requirements of the PRM during the 12-month period of validity of this Base Prospectus.

The documents, or sections of documents, referred to above shall be incorporated in and form part of this Prospectus, save that any statement contained in such documents, or sections of a document, which are incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any information or documents themselves incorporated by reference in the documents incorporated by reference shall not form part of this Prospectus. Where only certain parts of a document are incorporated by reference in this Prospectus, the non-incorporated parts are either not relevant to the investor or are covered elsewhere in this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) at https://www.anglianwatergroup.co.uk/debt-investors/reports-prospectuses-and-certificates, the registered office of the Issuer and the website of the Regulatory News Service operated by the London Stock Exchange at https://www.londonstockexchange.com/news.

The hyperlinks included in this Prospectus, or included in any document incorporated by reference into this Prospectus, and the websites and their contents are not incorporated into, and do not form part of, this Prospectus.

SUPPLEMENTARY PROSPECTUS

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to PRM 10.1, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a supplementary prospectus as required by PRM 10.1.

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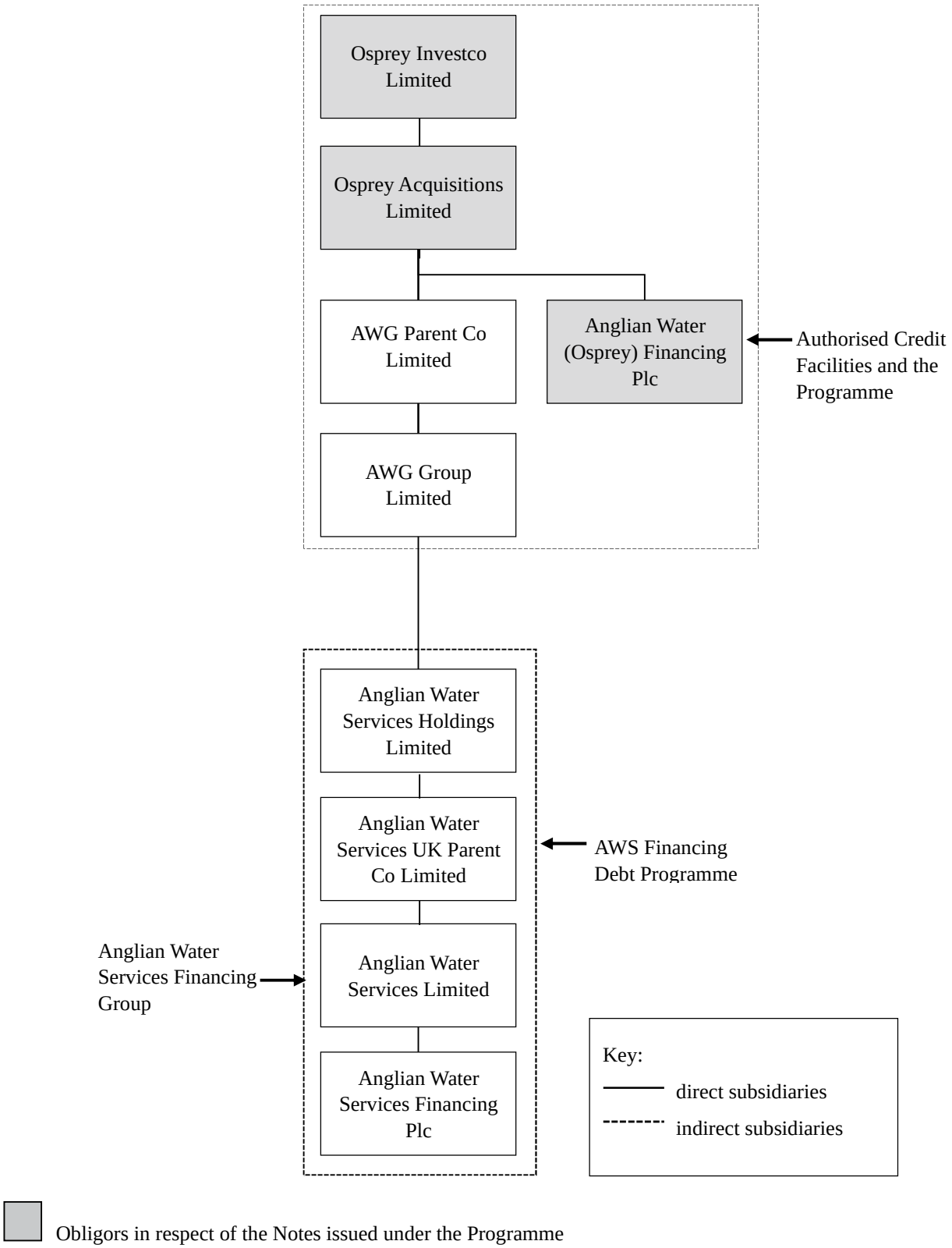
GROUP STRUCTURE OF OSPREY INVESTCO LIMITED AND ITS PRINCIPAL SUBSIDIARIES



OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Prospectus.

Issuer:	Anglian Water (Osprey) Financing Plc
Guarantors:	Osprey Acquisitions Limited and Osprey Investco Limited
Anglian Osprey Financing Group:	Osprey Acquisitions Limited, Osprey Investco Limited and the Issuer
Description:	Guaranteed Secured Medium Term Note Programme pursuant to which the Issuer may issue Notes.
Size:	Up to £10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. From time to time, the Issuer and the Guarantors may increase the Programme Limit in accordance with the Dealership Agreement.
Source of Funds for Required Payments by the Issuer and MidCo:	The payment by MidCo of interest, principal and other amounts to the Issuer under the Issuer/MidCo Loan Agreements and payments under the Guarantee by MidCo and PledgeCo will be the principal sources of funds for the Issuer to make its required payments in respect of the Notes outstanding from time to time. MidCo will be reliant upon the payment by its subsidiaries (including AWS) of dividends and certain other distributions to meet its payment obligations in respect of interest and principal due to the Issuer under the Issuer/MidCo Loan Agreements. MidCo (and, in turn, the Issuer) will therefore be substantially reliant on the cashflow of AWS in fulfilling their respective obligations under the Notes. In addition, MidCo and the Issuer have access to a dedicated cash reserve which the Issuer and the Guarantors have covenanted to fund in an amount equal to six months' interest service for MidCo and/or the Issuer. Furthermore, MidCo and the Issuer may, from time to time, have access to committed revolving credit facilities which may be used to pay, *inter alia*, debt service payments.
Arranger:	BNP PARIBAS
Dealers:	Bank of China Limited, London Branch Barclays Bank PLC BNP PARIBAS Canadian Imperial Bank of Commerce, London Branch CaixaBank, S.A. Deutsche Bank AG, London Branch HSBC Bank plc ING Bank N.V. J.P. Morgan Securities plc

	Lloyds Bank Corporate Markets plc Morgan Stanley & Co. International plc MUFG Securities EMEA plc NatWest Markets Plc SMBC Bank International plc The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated), and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Note Trustee:	Deutsche Trustee Company Limited will act as note trustee (the "**Note Trustee**") for and on behalf of the holders of the Notes (each a "**Noteholder**").
Security Trustee:	Deutsche Trustee Company Limited will act as security trustee (the "**Security Trustee**"), for itself and on behalf of the Secured Creditors under the MidCo Common Debt Platform, and holds, and is entitled to enforce, the Transaction Security (as described below) on behalf of the Secured Creditors subject to the terms of the STID and the Security Agreements.
MidCo Common Debt Platform:	On 16 June 2021, the Issuer and the Guarantors established a new secured common debt platform and are the "Obligors" under it. The Common Debt Documents set out the framework under which the Guarantors and the Issuer may raise debt (including the Notes) and contain common representations, warranties, covenants and events of default, as well as intercreditor arrangements. For more information, see "*Overview of the Financing Arrangements – MidCo Common Debt Platform*". Prior to the establishment of the new common debt platform, the intercreditor arrangements between the existing secured creditors of the Issuer (including the holders of the Existing Notes), were governed by the intercreditor agreement dated 6 January 2011 (the "**Intercreditor Agreement**"). The new framework under the Common Debt Documents included a mechanism that allowed the holders of Existing Notes to accede to the new common debt platform and have the benefit of the Common Debt Documents. Through a consent solicitation process carried out in August 2021, the holders of

	the Existing Notes voted to accede to the new secured common debt platform in September 2021 following which the Intercreditor Agreement was terminated. All the secured creditors of the Issuer now have the benefit of the Common Debt Documents and the intercreditor arrangements are governed solely by the Security Trust and Intercreditor Deed.
Secured Creditors:	As at the date of this Prospectus, the Secured Creditors comprise of the Security Trustee, the Note Trustee (for itself and on behalf of the Noteholders), the Noteholders, the Term Facility Providers, the RCF Facility Providers, the Bridge Facility Providers, the PP Noteholders, the Hedge Counterparties, any other Authorised Credit Facility Provider, the Account Banks, any Authorised Credit Facility Agent, each MidCo Agent and the Standstill Cash Manager and any Additional Secured Creditors. Other parties may become Secured Creditors from time to time by acceding to the STID.
Issuing and Paying Agent, Paying Agent, Transfer Agent and Calculation Agent:	Deutsche Bank AG, London Branch
Registrar:	Deutsche Bank Luxembourg S.A.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis and, in each case, by way of private or public placement. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "**Final Terms**").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Notes with a maturity of less than one year:	Notes issued on terms that they must be redeemed before their first anniversary will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA, unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "*Subscription and Sale*".

Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time, including the following restrictions applicable at the date of this Prospectus. See "*Subscription and Sale*".
Form of Notes:	The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") only. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their Issue Date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "*United States Selling Restrictions*" below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "**Global Certificates**".
Clearing Systems:	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Note Trustee and the relevant Dealer.
Initial Delivery of Notes:	On or before the Issue Date for each Tranche, if the relevant Global Note is an NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the Issue Date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a Common Depositary. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system, provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Note Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, MidCo and the relevant Dealer.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer, MidCo and the relevant Dealer.
Specified Denomination:	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that: (i) in the case of any Notes which are to be offered to the public in a Member State of the EEA, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest determined on the basis of a reference rate appearing on an agreed screen page or a commercial quotation service as indicated in the relevant Final Terms.
Step Up Option:	Fixed Rate Notes and Floating Rate Notes issued by the Issuer will be subject to a Step Up Option if the applicable Final Terms indicates that the Step Up Option is applicable. For any Step Up Notes for which a Step Up Event occurs, if any, the Initial Rate of Interest (in the case of Fixed Rate Notes) or the Initial Margin (in the case of Floating Rate Notes) shall be increased by the Step Up Margin specified in the applicable Final Terms in relation to the SPT which triggered the Step Up Event, to be applied for any Interest Period commencing on or after the Interest Payment Date immediately following the Notification Date.
Zero Coupon Notes:	Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in "*Terms and Conditions of the Notes*") will be made in such currencies and based on such rates of exchange as may be specified in the relevant Final Terms.

Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes which have a maturity of less than one year must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and, if so, the terms applicable to such redemption.
Early Redemption:	Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "*Terms and Conditions of the Notes – Redemption, Purchase and Options*".
Guarantor Change of Control Put Option:	If specified in the applicable Final Terms, if the Initial Investors and/or any Initial Investor Affiliates or any Acceptable Investor and/or any Acceptable Investor Affiliate cease to control directly or indirectly MidCo, the Notes may be redeemed in full. See "*Terms and Conditions of the Notes – Redemption, Purchase and Options*".
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes and any other type of Note that the Issuer, the Note Trustee and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and the relevant supplementary prospectus.
Status of Notes:	The Notes will be secured obligations of the Issuer and at all times shall rank *pari passu* and without any preference among themselves. The Notes are guaranteed by the Guarantors. The Notes represent the rights of the holders of such Notes to receive interest and principal from the Issuer pursuant to the Terms and Conditions of the Notes and the Trust Deed.

Status of Guarantee:	The Guarantee by the Guarantors is an unconditional, irrevocable and unsubordinated secured obligation of the Guarantors.
Events of Default:	See "*Terms and Conditions of the Notes – Events of Default*"
Covenants:	The representations, warranties and covenants (positive, negative and financial) which will apply to, *inter alia*, the Notes are set out in the Common Terms Agreement. The covenants include a negative pledge provision. See "*Overview of the Key Documents*".
Ratings:	Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The credit ratings included or referred to in this Prospectus will be issued by Fitch. Fitch is established in the United Kingdom. As defined by Fitch, a BBB rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. The addition of the minus (-) sign indicates that the obligation ranks in the lower end of the 'BBB' rating category.
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the United Kingdom unless the withholding is required by law. In such event, the Issuer or MidCo shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in "*Terms and Conditions of the Notes – Taxation*".
Transaction Security:	The security granted to the Security Trustee pursuant to the Security Agreement and any other Transaction Security Document.
Note Documents:	The Notes, the Trust Deed, the Agency Agreement, the Dealership Agreement and the Issuer/MidCo Loan Agreements.
Finance Documents:	The Security Documents, any PP Note Documents, the Trust Deed, the Notes issued under the Programme, from time to time (including the applicable Final Terms), the Hedging Agreements and any other credit support or collateral documentation entered into in connection therewith or pursuant thereto, the CTA, the Issuer/MidCo Loan

	Agreement, the Initial MidCo Facility Agreement, the Bridge Facility Agreement, each Account Bank Agreement, any Authorised Credit Facilities, the Agency Agreement, the Issuer/ICSD Agreement, the Master Definitions Agreement, any Fee Letter, any Compliance Certificate, each Accession Memorandum and each agreement or other instrument between (amongst others) an Obligor and an Additional Secured Creditor designated as a Finance Document by such Obligor, the Security Trustee and such Additional Secured Creditor in the Accession Memorandum for such Additional Secured Creditor in each case as such document may be amended, varied, supplemented, novated or replaced as permitted by the CTA (the "**Finance Documents**").
Issuer/MidCo Loan Agreements:	Loan agreements have been or will be entered into between the Issuer and MidCo (the "**Issuer/MidCo Loan Agreements**"), pursuant to which the Issuer will grant intragroup loans to MidCo in amounts equal to the proceeds of the Notes issued by the Issuer (each an "**Issuer/MidCo Loan**"), as well as other financing raised by the Issuer. Funds received under the Issuer/MidCo Loans from MidCo to the Issuer will enable the Issuer to make payments on the Notes and fund its costs and expenses.
STID:	The security trust and intercreditor agreement has been entered into between the Secured Creditors (and, in the case of the Noteholders, the Note Trustee on behalf of the Noteholders), the Issuer and the Guarantors to regulate the claims of the Secured Creditors and the rights of the Issuer and the Guarantors (the "**STID**"). See "*Overview of the Key Documents*".
Voting:	Pursuant to the terms of the STID, no Noteholder (nor their Secured Creditor Representative) shall be entitled to a vote in relation to any STID Proposal concerning an Ordinary Voting Matter which does not give rise to Entrenched Rights for such Noteholder.
Transaction Security Documents:	Each Security Document. The claims of the Secured Creditors in respect of the Transaction Security will be regulated by the STID.
Governing Law of the Notes:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Listing and Admission to Trading:	Application has been made to list Notes issued under the Programme on the Official List and to admit them to trading on the Market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly.

Selling Restrictions:	The United States, the EEA, the United Kingdom, Belgium, Japan, Australia, Switzerland and Canada. See "*Subscription and Sale*".
United States Selling Restrictions:	The Issuer is a Category 2 issuer for the purposes of Regulation S. The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) (the "**D Rules**") unless (i) the relevant Final Terms state that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.
Risk Factors:	There are certain factors that may affect the Issuer's and/or the Guarantors' ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*".

RISK FACTORS

The Issuer and the Guarantors believe that the following factors may affect their ability to fulfil their obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur.

Factors which the Issuer and the Guarantors believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer and the Guarantors believe that the factors described below represent the material risks inherent in investing in Notes issued under the Programme, but the Issuer or the Guarantors may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons that cannot reasonably be considered to be significant, are currently unknown, or the Issuer and Guarantors are unable to anticipate and, accordingly, neither the Issuer nor the Guarantors represents that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

1 Risks relating to the Issuer and the Guarantors - Corporate Structure and Financing Considerations

1.1 The Issuer is a special purpose financing entity

The Issuer is a special purpose financing entity with no business operations other than raising external funding for MidCo through the issuance of the Notes and other debt finance. The Issuer's only source of funds will be the repayment of amounts by MidCo to it pursuant to the related Issuer/MidCo Loans made by the Issuer to MidCo under the Issuer/MidCo Loan Agreements. Therefore, the Issuer is subject to all the risks relating to revenues and expenses to which MidCo is subject as set out or incorporated by reference herein. See "*Business Description of Issuer - Business Activities*".

1.2 The Guarantors are holding companies with no operations and rely on their operating subsidiaries to provide them with funds necessary to meet their financial obligations

The Guarantors are holding companies with no material, direct business operations. The principal assets of the Guarantors are the equity interests they directly or indirectly hold in their operating subsidiaries (primarily Anglian Water Services Limited ("**AWS**")). As a result, each Guarantor is dependent on loans, interest, dividends and other payments from their subsidiaries to generate the funds necessary to meet their financial obligations, including the repayment of any Issuer/MidCo Loans. The Guarantors' subsidiaries are separate and distinct legal entities and, except for the Issuer, they will have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividends, distributions, advances, loans or other payments. Accordingly, risks that have an impact on the subsidiaries of the Guarantors could affect the amount of funds available to the Guarantors to enable them to satisfy in full and on a timely basis their obligations under the Issuer/MidCo Loan Agreements (in the case of MidCo) and the Guarantee. The principal risks to which AWS and its business are subject are set out on pages 16 to 59 of the AWS Base Prospectus, which are incorporated by reference in this Prospectus.

In addition to the Anglian Water Services Financing Group, AWG Parent Co Limited has certain non-material and Non-Regulated Subsidiaries, including residual international and property development businesses. The international business has largely been disposed of or closed. AWG Group Limited incurs head-office running costs for the MidCo Group, including pension deficit contributions to a closed Morrison Construction pension scheme and costs relating to certain guarantees. Also included within the

Non-Regulated Subsidiaries is a property business that manages the sale and development of surplus land for AWS.

The ability of the Guarantors' Subsidiaries to make any distributions or other payments will depend on their earnings and may be subject to statutory or contractual restrictions, and as equity investors in their Subsidiaries, the Guarantors' rights to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of creditors of its Subsidiaries under the AWS Base Prospectus (and the securities issued thereunder). To the extent that a Guarantor is recognised as a creditor of such Subsidiaries, the Guarantor's claims may still be subordinated to any security interest in or other lien on the assets of such Subsidiaries and to any of their debt or other obligations that are senior to the Guarantor's claims. Therefore, Noteholders are structurally subordinated to the claims of creditors of the Guarantors' Subsidiaries, including secured creditors of AWS under the AWS Financing (as defined below). See "*Business Description of Issuer – Business Activities*".

1.3 **AWS is subject to certain restrictions in paying dividends as part of its covenant-based ring-fencing, which may limit the amount of funds available to the Guarantors**

In 2002, AWG Parent Co Limited implemented a significant corporate restructuring and financing (the "**AWS Financing**") and created a new "ring-fenced" financing group (being the "**Anglian Water Services Financing Group**"). The Anglian Water Services Financing Group consists of Anglian Water Services Holdings Limited, Anglian Water Services Holdings Limited's wholly-owned Subsidiary, Anglian Water Services UK Parent Co Limited, Anglian Water Services UK Parent Co Limited's wholly-owned subsidiary, AWS and AWS' wholly-owned Subsidiary, Anglian Water Services Financing Plc (see diagram, "*Group Structure of Osprey Investco Limited and its Principal Subsidiaries*" above). A key aspect of this covenant-based ring-fencing is that AWS is only entitled to pay any dividends (albeit indirectly) or make any other payments ("**distributions**") to AWG Group Limited or AWG Parent Co Limited if certain conditions are satisfied, including that no potential or actual event of default or trigger event under the AWS Financing is continuing or would result from such payment and that certain gearing ratio tests are satisfied. In addition, there are restrictions on the amounts of distributions permitted under the AWS Financing. There is a risk that these restrictions on the amounts of permitted distributions could affect the ability of the Guarantors to satisfy in full and on a timely basis its obligations under the Guarantee and (in the case of MidCo) the Issuer/MidCo Loan Agreements.

1.4 **AWS is subject to certain restrictions on paying dividends as part of its regulatory ring-fencing, which may limit the amount of funds available to the Guarantors**

As part of its obligations as a regulated company, AWS is subject to certain ring-fencing restrictions under its current Licence restricting its ability to declare or pay dividends, including a cash lock-up trigger which would apply where any of AWS's monitored ratings for Ofwat's purposes are at or below BBB/Baa2 with negative outlook, subject to a three-month grace period.

The cash lock up mechanism would, if triggered, stop most payments, including any dividend payments, being made by AWS to other group companies including MidCo.

The dividend policy Licence condition requires AWS to declare or pay dividends only in accordance with a dividend policy which has been approved by the board of directors of AWS and which complies with the following principles:

(i) that dividends declared or paid will not impair the ability of AWS to finance its regulated business. AWS must also take into account current and future investment needs and financial resilience over the longer term;

(ii) AWS must ensure that dividends declared or paid take account of service delivery for customers and the environment over time; and

(iii) that dividends declared or paid reward efficiency and the management of risks to the regulated business.

In addition, AWS or the Issuer must maintain, at all times, two issuer credit ratings which are investment grade from two different credit rating agencies and notify Ofwat of changes to its credit ratings.

The existing restrictions on the amounts of permitted distributions, together with the modifications to the ring-fencing Licence conditions, could increase the likelihood of AWS not being able to pay a dividend and as such, potentially affect the ability of the Guarantors to satisfy in full and on a timely basis their financial obligations (and, in particular, their obligations under the Guarantee and (in the case of MidCo) the Issuer/MidCo Loan Agreements). See Chapter 5 (*Ring-Fencing and the Anglian Water Services Financing Group*) of the AWS Base Prospectus.

1.5 **If share security under the AWS Financing is enforced, the Guarantors may no longer be indirect shareholders of AWS**

Each of Anglian Water Services UK Parent Co Limited and Anglian Water Services Holdings Limited has granted share security as part of the AWS Financing over shares in its direct Subsidiary. If the secured creditors in respect of the AWS Financing elect to enforce their rights thereunder, then such security over the shares in Anglian Water Services UK Parent Co Limited and AWS may be enforced and such enforcement may result in a sale of AWS and, subsequently, the Guarantors no longer being indirect shareholders of AWS. As a result, the Guarantors would not be entitled to receive any dividends from AWS, which may impact their ability to generate the funds necessary to meet their financial obligations. See Chapter 6.3 (*Financing Structure – Security Trust and Intercreditor Deed*) of the AWS Base Prospectus.

1.6 **High leverage of AWS**

AWS has indebtedness that is substantial in relation to its shareholders' equity. The Anglian Water Services Financing Group at 31 March 2026 has net leverage (including retained cash reserves) of 69.7 per cent. as a percentage of total debt to RCV (as defined on page 447 of the AWS Base Prospectus). Accordingly, there can be no assurance as to the ability of AWS to pay distributions to its shareholders, and ultimately MidCo, to enable the Issuer or MidCo to pay amounts due and owing in respect of the Notes. See section 6.5.7 (*Trigger Events*) and section 6.5.8(i) (*Trigger Event Consequences – No Restricted Payments*) of the AWS Base Prospectus.

1.7 **Future financing**

The Issuer or MidCo may need to raise further debt from time to time in order to, among other things:

(i) on each date on which principal is required to be repaid and on the maturity date of the relevant Tranche of Notes, refinance the Notes; and

(ii) refinance any other debt (including any Loan Facilities) the terms of which have become inefficient or which have a scheduled partial or final maturity prior to the final maturity of the Notes.

While the CTA and the STID contemplate the terms and conditions on, and the circumstances under which such further debt can be raised, there can be no assurance that the Issuer or MidCo will be able to raise sufficient funds, or funds at a suitable interest rate, or on suitable terms, at the requisite time such that the purposes for which such financing is being raised are fulfilled, and, in particular, such that all

amounts then due and payable on the Notes or any other maturing indebtedness will be capable of being so paid when due. See Chapter 6 (*Financing Structure*) of the AWS Base Prospectus.

2 Risks relating to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

2.1 Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. See Condition 6 (*Redemption, Purchase and Options*) of the Conditions.

2.2 Dual Currency Notes

The Issuer may issue Dual Currency Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Dual Currency Notes may be volatile; and

(ii) payment of principal or interest may occur at a different time or in a different currency than expected.

2.3 Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

2.4 Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

2.5 Notes that reference SONIA

The Issuer may issue Floating Rate Notes referencing SONIA.

The Interest Rate on any Floating Rate Notes referencing SONIA will be determined on the basis of Compounded Daily SONIA or by reference to an index known as the "SONIA Compounded Index" administered by the Bank of England. The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating

Rate Notes that reference a SONIA rate issued under this Prospectus. In addition, the Bank of England could amend, modify or withdraw SONIA Compounded Index or the methodology for determining such index, and there is no guarantee that such index will be widely used in the marketplace. The development of Compounded Daily SONIA as interest reference rates for the Eurobond markets, as well as continued development of SONIA-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference Compounded Daily SONIA is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference Compounded Daily SONIA to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. If Notes referencing Compounded Daily SONIA become due and payable as a result of an event of default under Condition 10.1 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined immediately prior to the date on which the Notes become due and payable.

2.6 Regulation and reform of EURIBOR and other "benchmarks" could adversely affect any Notes linked to such "benchmarks"

Reference rates and indices, including interest rate benchmarks such as EURIBOR, which are used to determine the amounts payable under, or the value of, financial instruments ("**Benchmarks**"), have been the subject of national and international regulatory scrutiny and reform. Some reforms are already effective, while others remain to be implemented, and further changes are anticipated. These reforms may cause a Benchmark to perform differently than in the past, to be discontinued, or to have other consequences that cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing the affected Benchmark.

Regulation (EU) 2016/1011 (as amended, the "**EU Benchmarks Regulation**") and the EU Benchmarks Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") apply, among other things, to the provision of, contribution of input data to, and use of, in-scope benchmarks in the EU and the UK, respectively. Each regime requires benchmark administrators to be authorised or registered (or, if third-country based, to be subject to an equivalent regime, or otherwise recognised or endorsed) and, in each case, prohibits the use by supervised entities of benchmarks whose administrators do not meet those requirements.

Following amendments to the EU Benchmarks Regulation which took effect on 1 January 2026, the scope of the EU Benchmarks Regulation has been narrowed and now applies primarily to critical benchmarks, significant benchmarks, EU climate transition benchmarks, Paris-aligned EU benchmarks and certain commodity benchmarks. As a critical benchmark, EURIBOR remains within the scope of the amended EU Benchmarks Regulation. Corresponding amendments have not been made to the UK Benchmarks Regulation, resulting in divergence between the two regimes, and further changes may be introduced under either regime in the future.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation (and any related international or national reforms) could have a material impact on any Notes linked to EURIBOR or another affected Benchmark, in particular where: (i) a Benchmark ceases to be published, calculated or administered; (ii) an index which is a Benchmark cannot be used by supervised entities because its administrator is not authorised, registered, recognised or endorsed (as applicable); or (iii) the methodology or other terms of a Benchmark are changed to comply with either regime, which could have the effect of reducing,

increasing or otherwise affecting the volatility of the published rate or level. More broadly, these reforms could increase the costs and risks of administering, or otherwise participating in the setting of, a Benchmark, which may discourage market participants from continuing to administer or contribute to certain Benchmarks, trigger changes to their rules or methodologies, or lead to their discontinuance or unavailability.

Any of the above could adversely affect the value of, and return on, Notes linked to a Benchmark, and could lead to such Notes being de-listed, redeemed early or otherwise affected, depending on the particular Benchmark and the applicable terms of the Notes. Prospective investors are referred to paragraph 2.7 "Risk Factors – Risks relating to the structure of a particular issue of Notes – Fallback arrangements could adversely affect Floating Rate Notes" of the "Risk Factors" section of this Prospectus for further information on the fallback arrangements that would apply on the occurrence of a Benchmark Event.

2.7 Fallback arrangements could adversely affect Floating Rate Notes

The potential elimination of a benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest provisions of the Conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of the alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the terms of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions of the Notes provide for certain fallback arrangements, where the Rate of Interest is to be determined by reference to the Relevant Screen Page and the Relevant Screen Page (or its successor or replacement) is not available, in the event that Original Reference Rate and/or any pages on which an Original Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event otherwise occurs. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint, at its own expense, an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate (including any Adjustment Spread) to be used in place of the Original Reference Rate. However, the use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) may result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, the Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate and, in either case, an Adjustment Spread, in accordance with the Conditions before the next Interest Determination Date, which is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Notes, in effect, becoming Fixed Rate Notes. In addition, due to the uncertainty concerning the availability of a Successor Rate or Alternative Rate and the involvement of an Independent Adviser, the relevant fallback

provisions may not operate as intended at the relevant time. Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Where "ISDA Determination" is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions and the ISDA Benchmarks Supplement as published by the International Swaps and Derivatives Association, Inc., as may be amended or supplemented from time to time (the "**ISDA Benchmark Supplement**").

Where the Floating Rate Option specified is a "EURIBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If EURIBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

The Issuer may enter into hedging transactions to hedge the floating rate exposure of a Floating Rate Notes. The fallback arrangements in respect of such hedging transactions could be different to those in the Floating Rate Notes which could lead to a mismatch between the Floating Rate Notes and the hedging transaction. This could leave the Issuer exposed to a mismatch risk which it otherwise would not have been.

The impact of these conditions could be detrimental to the Issuer and/or the Guarantors and, in each case, could adversely affect: its business, operations and profitability; its solvency and the solvency of its counterparties, custodians, customers and service providers; the value and liquidity of its assets and liabilities and the credit rating of the Notes.

2.8 Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

2.9 Hedge Counterparty risk

If the Issuer or, if applicable, MidCo enters into any hedging agreements in connection with any issue of Notes (for example, in relation to interest rate or currency exposures), it faces the possibility that a Hedge Counterparty will become unable to honour its contractual obligations. Hedge Counterparties may default on their obligations due to insolvency, bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into swap or other derivative contracts under which counterparties have obligations to make payments to the Issuer or MidCo or from executing trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries.

(*Please see for further information* "*Overview of the Key Documents – Hedging*")

2.10 Step Up Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics

On 14 February 2024, the Anglian Water Group adopted a framework relating to its sustainability strategy and targets, drafted in accordance with the Sustainability-Linked Bond Principles (the "SLBP") administered by the International Capital Markets Association (ICMA) (as amended from

time to time, the "**Sustainability-Linked Finance Framework**"). The Sustainability-Linked Finance Framework has been reviewed by DNV, which provided a second party opinion confirming its alignment with the five pillars of the SLBP (the "**Sustainability-Linked Finance Framework Second-party Opinion**"). In addition, Anglian Water's performance in relation to each Key Performance Indicator against each corresponding Sustainability Performance Target will be verified by the External Verifier (as defined in Condition 5.2(c)(D) (Step *Up* Option)) on an annual basis.

A Sustainability-Linked Finance Framework Second-party Opinion may not reflect the potential impact of all risks that may affect the value of Step Up Notes, does not constitute a recommendation to buy, sell or hold securities and is only current as at the date it is delivered. The second-party opinion providers, External Verifiers and other providers of similar opinions, verifications and certifications are not currently subject to any specific regulatory or other regime or oversight. None of the Issuer, the Guarantors, the Arranger or the Dealers (or any of their respective affiliates) assume any obligation or responsibility to release any update or revision to the Sustainability-Linked Finance Framework, to monitor the performance of any Key Performance Indicator relative to the Baselines, or to appoint the External Verifier or any second-party opinion provider, and none of them can guarantee performance of (or offer any assurance in respect of) any Key Performance Indicator or Sustainability Performance Target.

Bondholders have no recourse against the Issuer, the Guarantors, the Arranger, any of the Dealers or the provider of any such opinion or certification for the contents of any such opinion or certification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein for the purpose of any investment in the Step Up Notes. Any withdrawal of, or qualification in, any such opinion or certification or any such opinion or certification attesting that the Anglian Water Group is not complying in whole or in part with any matters for which such opinion or certification is opining on or certifying on may have a material adverse effect on the value of the Step Up Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in sustainability-linked assets. Even where a Sustainability-Linked Finance Framework Second-party Opinion is obtained, no assurance can be given by the Issuer, the Guarantors, the Arranger, the Dealers, any second-party opinion provider or the External Verifier that the Step Up Notes, the KPIs, the SPTs or the Baselines will meet any or all investor expectations regarding the Step Up Notes or the Anglian Water Group's targets qualifying as "sustainable" or "sustainability-linked".

2.11 **The Step Up Notes may not meet investors' expectations or requirements related to sustainability**

The definition (legal, regulatory or otherwise) of, or market consensus as to what constitutes, an "ESG" (Environmental, Social or Governance), "green", "sustainable", "sustainability-linked", "social" or an equivalently-labelled product, or as to what precise attributes are required for a particular investment, product or asset to be defined as "ESG", "green", "sustainable", "sustainability-linked", "social" or such other equivalent label remains evolving. No assurance can be given that a clear definition, consensus or label will develop over time or that, if it does, any Step Up Notes will comply with such definition, market consensus or label. No assurance can be given by the Issuer, the Guarantors, the Arranger, the Dealers (or any of their respective affiliates) or any other person that any Step Up Notes will comply with any present or future standards or

requirements regarding any "green" or other equivalently-labelled performance objectives, including under the EU Taxonomy Regulation or the EU Green Bond Standard Regulation.

There can be no assurance or certainty as to Anglian's ESG performance, alignment or compliance of any investments planned in the Anglian Water Group's sustainability strategy (and underlying the Step Up Notes through their link to certain key performance indicators) with any regulatory regime or with any affiliate or third-party assessment, nor any future ESG performance, alignment to or compliance with any regulatory regime or with any affiliate or third-party assessment. Neither does Anglian make any representation or assurances as to the viability of the investment for ESG purposes. Investors should make their own assessment as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of Step Up Notes. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus.

Although the interest rate relating to the Step Up Notes is subject to upward adjustment in certain circumstances specified in the Conditions, such Notes may not satisfy an investor's requirements or any future legal or quasi legal standards for investment in assets with sustainability characteristics. The Notes described above are not being marketed as green notes and are not intended to be listed on any market segment that is specific to green notes, since the Anglian Water Group expects to use the relevant net proceeds for general corporate purposes and/or any other identified purpose as set out in the applicable Final Terms and therefore does not intend to allocate the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria, or be subject to any other limitations associated with green notes.

In addition, the interest rate adjustment in respect of the above-mentioned Step Up Notes depends on a definition of "Net Operational Carbon Emissions", "Capital Carbon Emissions", "Natural Household Water Abstraction", and "PSR Adoption" that may be inconsistent with investor requirements or expectations or other definitions relevant to greenhouse gas ("**GHG**") emissions, water abstraction and what constitutes a billed domestic property. The Anglian Water Group includes within Net Operational Carbon Emissions all operational GHG emissions (being all Scope 1 emissions, Scope 2 emissions and some Scope 3 emissions which are limited to business travel, outsourced activities within the Perimeter and transmission and distribution losses) within the Perimeter measured bytCO2e.

The Anglian Water Group defines Capital Carbon Emissions as the GHG emissions associated with the construction and maintenance of infrastructure assets, including (without limitation) GHG emissions associated with its carbon footprint as a result of the construction projects undertaken within the Perimeter, covering the extraction, transportation and processing of raw materials and from site construction activities required to create or maintain a built asset, or part thereof, measured bytCO2e, which, for the avoidance of doubt, does not include any GHG emissions which form part of the Net Operational Carbon Emissions. The Anglian Water Group defines Natural Household Water Abstraction as the water extracted for household use as a result of, within the Perimeter, the process of extracting water from natural sources, measured by the average daily amount of water (in litres) abstracted directly from rivers, reservoirs and groundwater, for household use, per capita in a year. The Anglian Water Group defines PSR Adoption as the proportion of households registered with Anglian Water Group’s priority services register (the “Priority Service Register”), measured as a percentage of billed domestic properties, excluding any void properties, supplied with water and/or wastewater services within the Perimeter.

Although the Anglian Water Group targets: (A) decreasing its (i) Net Operational Carbon Emissions, (ii) Capital Carbon Emissions and (iii) Natural Household Water Abstraction, and (B) increasing its PSR Adoption, there can be no assurance of the extent to which it will be successful in doing so. Nor can there be any assurance that any future investments the Anglian Water Group makes in furtherance of these targets will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact. Adverse environmental or social impacts may occur during the design, construction and operation of any investments the Anglian Water Group makes in furtherance of these targets or such investments may become controversial or criticized by activist groups or other stakeholders.

No Potential Event of Default, Event of Default, Trigger Event or Potential Trigger Event shall occur under the Step Up Notes, nor will the Issuer or the Guarantors be required to repurchase or redeem such Notes, if the Anglian Water Group fails to meet any Sustainability Performance Target.

2.12 **The baseline that Sustainability Performance Targets are measured against in relation to Step Up Notes may change during the life of any Step Up Notes**

Step Up Notes may be issued which are linked to certain Key Performance Indicators and in relation to which a Step Up Event may trigger the payment of a Step Up Margin, meaning that payment of amounts in respect of the Notes may vary depending on the Anglian Water Group's actual performance in respect of the Key Performance Indicators. If the Anglian Water Group fails to meet certain Sustainability Performance Targets as specified in the applicable Final Terms in relation to these Key Performance Indicators, a Step Up Event will occur, as a result of which a Step Up Margin will be applied. The Sustainability Performance Targets are measured against the Capital Carbon Emissions Baseline, the Net Operational Carbon Emissions Baseline, the Natural Household Water Abstraction Baseline or the PSR Adoption Baseline (the "Baselines"). The Arranger, the Dealers or any of their respective affiliates do not assume any obligation or responsibility to monitor the measurement of or performance in respect of such Key Performance Indicators.

Notwithstanding that the Step Up Margin is dependent on the Anglian Water Group's actual performance in respect of the Key Performance Indicators relative to the Baselines, the Baselines may be adjusted.

The Baselines and/or SPTs may be adjusted in good faith to account for Significant Changes if the changes drive an increase or a decrease in KPI performance of greater than 5 per cent. The Anglian Water Group may also (acting in good faith) choose to recalculate the Baselines and/or SPTs for Significant Changes which drive an increase or decrease in KPI performance of less than 5 per cent., especially when structural changes occur. Structural changes include changes that significantly impact base year GHG emissions, water abstraction or Priority Service Register sign-up data recording, such as acquisitions, divestitures or mergers.

Any recalculation or adjustment of a Baseline in such circumstances may increase or decrease the amount of GHG emissions, the level of natural water abstraction recorded, or billed domestic properties, in each case comprising such Baseline, and may therefore increase or decrease the total amount of relevant GHG emissions that may be produced by the Anglian Water Group, the level of natural water abstraction by the Anglian Water Group, or billed domestic properties served by the

Anglian Water Group, while still being able to satisfy the relevant SPT to which that Baseline relates (or, similarly, decrease (i) the total amount of reduction or avoidance in the relevant GHG emissions, (ii) the total amount of reduction in water abstraction, or (iii) the percentage of sign-ups to the Priority Service Register, required pursuant to such SPT), thus avoiding the occurrence of a Step Up Event. The Arranger, the Dealers or any of their respective affiliates assume no responsibility in respect of any recalculation or adjustment of any Baseline or any related revision of any SPT.

3 Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

3.1 Noteholders' rights subject to the STID, potential disenfranchisement and being bound by decisions of the Majority Creditors

The Noteholders' rights against the Issuer and the Guarantors are subject to the STID, which is described in detail in the section "*Overview of the Key Documents*". Whilst the Note Trustee's rights to take any action to enforce its respective rights against the Issuer and/or the Guarantors following an Event of Default are partially restricted under the STID, the exercise of any right to accelerate the Secured Liabilities owed to the Note Trustee under any Note arising by reason of an Event of Default after termination of a Standstill Period is not restricted other than where a Standstill Remedy occurs ("**Permitted Enforcement Action**"). The taking of Permitted Enforcement Action by the Note Trustee shall trigger an automatic acceleration of the Secured Liabilities. Following such automatic acceleration, the Security Trustee shall enforce the Security in accordance with the instructions of the Majority Creditors under the STID and the proceeds of such enforcement shall be distributed in accordance with the Payment Priorities in the CTA. As a result, Noteholders can be bound by the process of enforcement that is determined by the Majority Creditors, which may differ from the interests of Noteholders. Noteholders can therefore be bound by the result of a particular matter that they voted against, including, for the avoidance of doubt, in relation to the enforcement of the Security.

Noteholders should be aware that the STID provides that in relation to any STID Proposal concerning an Ordinary Voting Matter which does not give rise to Entrenched Rights for such Noteholders, no Noteholder (nor their Secured Creditor Representative) shall have any entitlement to vote in respect of the relevant STID Proposal and shall not be entitled to convene any meeting of Noteholders. As a result, Noteholders may be bound by amendments and changes to the Common Debt Documents which are not voted on by the Noteholders and, such changes and amendments to the Common Debt Documents may not align with (or may be adverse to) the Noteholders' interests. Where a STID Proposal concerns an Extraordinary Voting Matter the Noteholders must first pass an Extraordinary Resolution to approve or reject such STID Proposal in accordance with the provisions of the Note Trust Deed. See Condition 12 (*Meetings of Noteholders, Modifications and Substitution*) of the Conditions and "*Overview of the Key Documents – Security Trust and Intercreditor Deed*" for further information regarding the circumstances in which Noteholders may vote.

3.2 Potential disenfranchisement of Noteholders

STID

Each STID Proposal shall specify the period of time within which the approval of the Security Trustee is sought (the "**Decision Period**") which, subject to the provisions of the STID, shall not be fewer than:

(i) in the case of any matter which does not give rise to an Entrenched Right in respect of a Noteholder, 10 Business Days from the date of delivery of the STID Proposal to the Security Trustee; or

(ii) if the STID Proposal gives rise to an Entrenched Right and the Entrenched Right is one in respect of which the Noteholders of a Series of Notes are the Affected Secured Creditors, 45 days from the date of delivery of the STID Proposal to the Security Trustee,

provided that, in each case, the STID Proposal is not passed within the Decision Period then the Transaction Agent may elect by notice to the Security Trustee to extend the period for a further five Business Days or such other period as agreed with the Security Trustee (the "**Extension Period**"). If the Security Trustee is not instructed to serve a Dissenting Notice within seven Business Days of the date of the relevant STID Proposal or notice of the consequential amendment (as applicable), the Security Trustee and the Secured Creditors shall be deemed to have consented to the Matter Determination and/or Entrenched Right Determination proposed in the relevant STID Proposal. See "*Overview of the Key Documents – STID Proposal*".

Disenfranchisement of Restricted Noteholders

Furthermore, where any Noteholder is a Restricted Noteholder or, where required to do so, such Noteholder fails to certify to the Note Trustee that it is not a Restricted Noteholder, the Notes held by that Noteholder shall not be counted in any quorum or voting threshold in respect of any decision of Noteholders. This may adversely impact the liquidity of the Notes.

3.3 Modification, waiver and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. As a result, Noteholders can be bound by the result of a particular matter that they voted against.

The Conditions also provide that the Note Trustee may, without the consent of Noteholders, agree to (i) (subject to the terms of the STID) any modification of any of the provisions of the Trust Deed, the Conditions or any Finance Document to which the Note Trustee is a party that is, in the opinion of the Note Trustee, of a formal, minor or technical nature or is made to correct a manifest error, (ii) any Benchmark Amendments (as defined in the Conditions) in the circumstances and as otherwise set out in Condition 5.2(b)(E)(iv) (*Benchmark Amendments*), (iii) any other modification (except as mentioned in the Trust Deed and subject to the STID), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Conditions or any Finance Document to which the Note Trustee is a party that is in the opinion of the Note Trustee not materially prejudicial to the interests of the Noteholders or (iv) (subject to the terms of the Trust Deed and the STID) the substitution of another company as principal debtor under any Notes in place of the Issuer or the Guarantors and to a change in the law governing the Notes, provided that such change would not in the opinion of the Note Trustee be materially prejudicial to the interests of the Noteholders, in the circumstances described in Condition 12.4 (*Substitution*) of the Notes.

The STID provides that the Security Trustee may consent to any proposed amendment to, as the case may be, the Trust Deed, the Conditions or any Finance Document to which it is a party and which: (i) in its opinion is required to correct a manifest error or which is of a formal, minor or technical nature; or (ii) is not, in its opinion materially prejudicial to the interests of the Secured Creditors.

3.4 English law security and insolvency considerations

The Issuer has entered into each Security Agreement and other Transaction Security Documents pursuant to which it will grant the Transaction Security in respect of certain of its obligations, including its obligations under the Notes. If certain insolvency proceedings are commenced in respect of the Issuer, the ability to realise the Transaction Security may be delayed and/or the value of the Transaction Security impaired.

The Insolvency Act allows for the appointment of an administrative receiver in relation to certain transactions in the capital markets. Although there is as yet no case law on how these provisions will be interpreted, it should be applicable to the floating charge created by the Issuer and granted by way of security to the Security Trustee. However, as this is partly a question of fact, were it not to be possible to appoint an administrative receiver in respect of the Issuer, the Issuer would be subject to administration if it became insolvent which may lead to the ability to realise the security being delayed and/or the value of the security being impaired.

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the Insolvency Act, certain floating charge realisations which would otherwise be available to satisfy the claims of Secured Creditors under each Security Agreement or other Transaction Security Document may be used to satisfy any claims of unsecured creditors. While certain of the covenants given by the Issuer in the Finance Documents are intended to ensure that it has no significant creditors other than the Secured Creditors under each Security Agreement, it will be a matter of fact as to whether the Issuer has any other such creditors at any time. There can be no assurance that the Noteholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Transaction Security.

While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders would not be adversely affected by the applications of insolvency laws (including English insolvency laws).

3.5 Fixed charges may take effect under English law as floating charges

The law in England and Wales relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer (other than by way of assignment in security) may take effect under English law as floating charges only if, for example, it is determined that the Security Trustee does not exert sufficient control over the assets subject to such charge. If the charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets.

The interests of the Secured Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administration or liquidator and the claims of certain preferential creditors on enforcement of the Transaction Security. Section 250 of the Enterprise Act 2002 abolishes Crown Preference in relation to all insolvencies and thus reduces the categories of preferential debts that are to be paid in “prescribed part” (up to a maximum amount of £600,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors. This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the proceeds of enforcement of the floating charge ahead of amounts due to Noteholders. The prescribed part will not be relevant to property subject to a valid fixed security interest or to a situation in which there are no unsecured creditors.

3.6 Additional Security

Pursuant to the entry into of the MidCo Common Debt Platform, the Issuer, MidCo and PledgeCo entered into the MidCo Obligors Security Agreement. The creation of this new security resulted in the "hardening periods" (under the Insolvency Act 1986) to start afresh. If a company enters a formal insolvency process, certain transactions (relating to transactions at an undervalue, the avoidance of preferences, the creation of certain floating charges, extortionate credit transactions and transactions defrauding creditors) entered into prior to the commencement of the insolvency process may be challenged under provisions of the Insolvency Act 1986. Generally, if the challenge is successful, the court will make an order as is appropriate to undo the effect of the transaction in question (for example, by ordering the return of assets to the insolvent company). It should be noted that, as part of entry into of the MidCo Common Debt Platform, each of the Issuer, MidCo and PledgeCo delivered a solvency certificate confirming its solvency and furthermore, as PledgeCo is a newly incorporated company, its only material liabilities are those under the Finance Documents.

3.7 Integral multiples of less than €100,000

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination of €100,000 (or its equivalent) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

3.8 Notes not in physical form

Unless the Global Notes are exchanged for Definitive Notes, which exchange will only occur in the limited circumstances set out under the section entitled "*Summary of Provisions relating to the Notes while in Global Form*" below, the beneficial ownership of the Notes will be recorded in book-entry form only with Euroclear and Clearstream, Luxembourg. The fact that the Notes are not represented in physical form could, among other things:

(i) result in payment delays on the Notes because distributions on the Notes will be sent by or on behalf of the Issuer to Euroclear or Clearstream, Luxembourg directly to Noteholders;

(ii) make it difficult for Noteholders to pledge the Notes as security if Notes in physical form are required or necessary for such purposes; and

(iii) hinder the ability of Noteholders to resell the Notes because some investors may be unwilling to buy Notes that are not in physical form.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. The applicable Final Terms in relation to any Tranche of Notes will complete the following terms and conditions for the purpose of such Notes. The relevant Final Terms will be endorsed upon, or attached to, such Bearer Notes or on the Certificates relating to such Registered Notes.

The Notes are constituted by a Trust Deed (as amended or supplemented from time to time, the "**Trust Deed**") dated 21 January 2011, as amended and restated by a supplemental trust deed dated 7 October 2013, as further amended by a deed of amendment dated 9 October 2014, as further amended and restated by a supplemental trust deed dated 30 September 2019, as further amended and restated by a supplemental trust deed dated 19 October 2020, as further amended and restated by a supplemental trust deed dated 18 June 2021, as further amended by a supplemental trust deed dated 12 August 2022, as further amended by a supplemental trust deed dated 10 October 2023, as further amended by a supplemental trust deed dated 9 October 2024, as further amended by a supplemental trust deed dated 9 October 2025 and as further amended and restated by a supplemental trust deed dated on or around the date of this Prospectus between the Issuer, the Guarantors and Deutsche Trustee Company Limited (the "**Note Trustee**", which expression shall include all persons for the time being the note trustee or note trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of:

(i) the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below;

(ii) the Agency Agreement (as amended or supplemented from time to time, the "**Agency Agreement**") dated 21 January 2011, which has been entered into in relation to the Notes between the Issuer, MidCo, the Note Trustee, Deutsche Bank AG, London Branch as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent(s)**";

(iii) the MidCo Obligors Security Agreement (the "**Security Agreement**") dated 16 June 2021 between the Issuer, PledgeCo, MidCo and the Security Trustee;

(iv) the master definitions agreement (the "**MDA**" or "**Master Definitions Agreemen**t") dated 16 June 2021 between, among others, the Issuer, the Guarantors and the Security Trustee;

(v) the common terms agreement (the "**CTA**") dated 16 June 2021 between, among others, the Issuer, the Guarantors and the Security Trustee; and

(vi) the security trust and intercreditor deed (the "**STID**") dated 16 June 2021 between, among others the Issuer, the Guarantors and the Security Trustee.

Copies of the Trust Deed, the Agency Agreement, the Security Agreement, the MDA, the CTA and the STID are (i) available for inspection during usual business hours specified offices of the Paying Agents and the Transfer Agents (presently at 21 Moorfields, London EC2Y 9DB and 2 Boulevard Konrad Adenauer, L-1115 Luxembourg (as applicable)) or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee, any Paying Agents or the Issuer and provision of proof of holding and identity (in a form

satisfactory to the Trustee, the relevant Paying Agent or the Issuer, as the case may be) and subject to the Paying Agents being supplied by the Issuer with electronic copies.

The payments of all amounts in respect of the Notes have been secured by the Issuer and the Guarantors pursuant to the Security Agreement and guaranteed by the Guarantors in the STID.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments ("**Instalment Notes**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

Terms defined in the Trust Deed and/or the Agency Agreement and/or the Master Definitions Agreement or used in the relevant Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and, provided that, in the event of inconsistency between the Master Definitions Agreement and the relevant Final Terms, the relevant Final Terms will prevail.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown in the relevant Final Terms, provided that, in the case of any Notes which are to be offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

All Registered Notes shall have the same Specified Denomination

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note or a Dual Currency Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the relevant Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2.3 (*Exercise of Options or Partial Redemption in Respect of Registered Notes*), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be, and may be treated as, its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate), and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

2.1 **No Exchange of Notes**: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

2.2 **Transfer of Registered Notes**: One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Note Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

2.3 **Exercise of Options or Partial Redemption in Respect of Registered Notes**: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

2.4 **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Condition 2.2 (*Transfer of Registered Notes*) or Condition 2.3 (*Exercise of Options or Partial Redemption in Respect of Registered Notes*) shall be available for delivery within three business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2.4 (*Delivery of New Certificates*), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

2.5 **Transfers Free of Charge**: Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

2.6 **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6.4 (*Redemption at the Option of the Issuer*), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. In this Condition 2.6 (*Closed Periods*), "**Record Date**" shall have the meaning given to it in Condition 7.2(ii).

3 Status, Guarantee and Security

3.1 Status

The Notes and the Receipts and Coupons relating to them are secured, direct and unconditional obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 3.2 (*Guarantee and Security*).

3.2 Guarantee and Security

Each Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons. Each Guarantor's obligations in that respect (the "**Guarantee**") are contained in the STID.

Under the STID, MidCo and PledgeCo guarantee the obligations of the Issuer (and in the case of PledgeCo, of MidCo also) under the Finance Documents to the Security Trustee for itself and on behalf of the Secured Creditors (including, without limitation, Noteholders and the Note Trustee for itself and on behalf of the Noteholders) and secures such obligations upon the whole of its property, undertaking and assets.

All Notes issued by the Issuer under the Programme and any additional creditor of the Issuer or the Guarantors acceding to the STID will share in the Security constituted by the Security Documents.

In these Conditions:

"**Obligors**" means the Issuer, MidCo and PledgeCo.

"**MidCo**" means Osprey Acquisitions Limited.

"**PledgeCo**" means Osprey Investco Limited.

3.3 Relationship among Noteholders and with other Secured Creditors

The Trust Deed contains provisions detailing the Note Trustee's obligations to consider the interests of the Noteholders as regards all powers, trusts and authorities, duties and discretions of the Note Trustee.

The STID provides that the Security Trustee (except in relation to its Reserved Matters and Entrenched Rights and subject to certain exceptions) will act on instructions of the relevant Majority Creditors (including, in certain circumstances, the Note Trustee as trustee for and representative of the Noteholders) and, when so doing, the Security Trustee is not required to have regard to the interests of any Secured Creditor (including the Note Trustee as trustee for and representative of the Noteholders or

any individual Noteholder) in relation to the exercise of such rights and, consequently, has no liability to the Noteholders as a consequence of so acting.

3.4 Enforceable Security

In the event of the Security Documents becoming enforceable as provided in the STID, the Security Trustee shall, if instructed by the relevant Majority Creditors (subject to the terms of the STID), enforce the rights of the Secured Creditors under the Common Documents in accordance with the instructions of the relevant Majority Creditors (subject to the terms of the STID), but without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any particular Secured Creditor (including the Note Trustee as trustee for the Noteholders or any individual Noteholder), provided that the Security Trustee shall not be obliged to take any action unless it is indemnified and/or secured and/or pre-funded to its satisfaction.

For the purposes of these Conditions:

"**Majority Secured Creditors**" means: (i) at least in aggregate 66⅔ per cent. of Total Commitments where the instructions relate to a Special Decision or (ii) greater than in aggregate 50 per cent. of Total Commitments, where the instructions relate to any Ordinary Decision.

"**Ordinary Decision**" means any decision of the Majority Secured Creditors which is not a Special Decision.

"**Special Decision**" means any decision of the Majority Secured Creditors relating to any matters which:

(a) would release any of the Transaction Security (unless equivalent replacement Security is taken at the same time);

(b) would change:

  (i) any material definitions which relate to the key structural principles on which the voting mechanics of the Special Decisions have been founded; or

  (ii) any of the matters requiring Special Decisions; or

(c) relate to any Enforcement Action,

provided that, for the avoidance of doubt, the Majority Secured Creditors may not take any decisions relating to Entrenched Rights without the relevant Secured Creditor's consent.

3.5 Application after Enforcement

After enforcement of the Security, the Security Trustee shall (to the extent that such funds are available) instruct the Account Bank to use funds standing to the credit of the Accounts to make payments to the Secured Creditors in accordance with the STID and the CTA, the Secured Creditors agree that they shall then share such proceeds pursuant to the terms of the Payment Priorities set out in the Common Terms Agreement.

For the purpose of these Condition:

"**Secured Creditor**" means

(a) the Security Trustee (in its own capacity and on behalf of the other Secured Creditors);

(b) the Note Trustee (in its own capacity and on behalf of the Noteholders);

(c) the Noteholders;

(d) the Term Facility Providers;

(e) the RCF Facility Providers;

(f) the PP Noteholders;

(g) the Hedge Counterparties;

(h) the Account Banks;

(i) any Facility Agent;

(j) the Cash Manager;

(k) each MidCo Agent;

(l) the Standstill Cash Manager; and

(m) any Additional Secured Creditors,

provided, in each case, that such person is party to or has acceded to the STID in accordance with the provisions thereof.

4 Covenants

For so long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer and the Guarantors have agreed to comply with the covenants expressed to be given by it as set out in Schedule 2 (*Covenants*) to the Common Terms Agreement.

5 Interest

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5.3(c) (*Calculations*) and the Rate of Interest on a Fixed Rate Note which is also a Step Up Note may be increased in accordance with the provisions relating to the Step Up Option set out in Condition 5.2(b)(D) (*Step Up Option*).

"**Fixed Rate Note**" means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Final Terms).

5.2 Interest on Floating Rate Notes

(a) **Interest Payment Dates**

Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5.3(c) (*Calculations*). Such Interest Payment Date(s) is/are either specified in the relevant Final Terms as "Specified Interest Payment Dates" or, if no "Specified Interest Payment Date(s)" is/are specified in the relevant Final Terms, Interest Payment Date shall mean each date which falls on the number of months or other period specified in the relevant Final Terms as the Interest Period after the preceding Interest

Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

"**Floating Rate Note**" means a Note on which interest is calculated at a floating rate payable in arrear in respect of such period or on such date(s) as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Final Terms);

(b) **Business Day Convention**

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

(A) the "**Floating Rate Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;

(B) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day;

(C) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(D) the "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day.

Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) *ISDA Determination for Floating Rate Notes*: Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the applicable Final Terms;

(b) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the applicable Final Terms;

(c) the relevant Reset Date (as defined in the ISDA Definitions) is if the relevant Floating Rate Option is based on EURIBOR, the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms; and

(d) references in the ISDA Definitions to:

a. "Confirmation" shall be deemed to be references to the applicable Final Terms;

b. "Calculation Period" shall be deemed to be references to the relevant Interest Period;

c. "Termination Date" shall be deemed to be references to the Maturity Date;

d. "Effective Date" shall be deemed to be references to the Interest Commencement Date; and

e. "Fallback Observation Day" shall be deemed to be references to, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, unless otherwise agreed, the day that is five Business Days preceding the related Payment Date,

provided, however, that if the Agent Bank (or Calculation Agent, if applicable) is unable to determine a rate in accordance with the above provisions in relation to any Interest Accrual Period, then the Interest Rate applicable to the next succeeding Interest Accrual Period shall be equal to the sum of the Margin (if applicable) and the rate last determined in relation to the Notes in respect of the immediately preceding Interest Period.

(B) *Screen Rate Determination for Floating Rate Notes* (EURIBOR):

(i) Where "Screen Rate Determination" is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate specified in the applicable Final Terms is EURIBOR, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

(expressed as a percentage rate per annum) for EURIBOR which appears or appear, as the case may be, on the Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(ii) Subject to Condition 5.2(b)(E) (*Benchmark Discontinuation*) below, if the Page is not available or if, paragraph (B)(i)(1) above applies and no such offered quotation appears

on the Page or if paragraph (B)(i)(2) above applies and fewer than three such offered quotations appear on the Page, in each case as at the time specified above, subject as provided below, the Issuer shall request the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

(iii) If paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to the Calculation Agent (at the request of the Issuer) by the Reference Banks, or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph (iii) by close of business on the date which is two Business Days following the Interest Determination Date, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) *Screen Rate Determination (for SONIA):* Where Screen Rate Determination is specified as the manner in which the Rate of Interest is to be determined, and the Reference Rate specified in the applicable Final Terms is SONIA, the Rate of Interest for each Interest Period will be the Compounded Daily SONIA as determined by the Calculation Agent plus or minus the Margin (as specified in the applicable Final Terms).

"**Compounded Daily SONIA**", with respect to each Interest Period, will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{r_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**Applicable Period**" means:

(1) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, in relation to any Interest Period, the Reference Period relating to such Interest Period; and

(2) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period;

"**d**" is the number of calendar days in the Applicable Period;

"$\mathbf{d_o}$" is the number of London Banking Days in the Applicable Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the Applicable Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"$\mathbf{n_i}$" for any London Banking Day "i", means the number of calendar days from and including such London Banking Day "i" up to but excluding the following London Banking Day;

"**Observation Method**" has the meaning given to it in the applicable Final Terms;

"**p**" is the number of London Banking Days included in the Reference Look Back Period, as specified in the applicable Final Terms, being at least 5 London Banking Days;

"$\mathbf{r_i}$" means:

(1) where "Lag" is specified as the Observation Method in the applicable Final Terms, in respect of any London Banking Day "i" falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day which is "p" London Banking Days prior to the relevant London Banking Day "i"; or

(2) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, in respect of any London Banking Day "i" falling in the relevant Reference Period, the SONIA Reference Rate;

"**Reference Look Back Period**" means the whole number specified as the Reference Look Back Period in the applicable Final Terms, such number representing a number of London Banking Days (and which shall not be specified in the applicable Final Terms as less than five without the prior agreement of the Calculation Agent);

"**Reference Period**" means, in respect of an Interest Period, the period from and including the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable); and

the "**SONIA Reference Rate**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Page or, if the Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day), or, if SONIA cannot be obtained from such authorised distributors, as published on the Bank of England's Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Reference Rate).

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

If, subject to Condition 5.2(b)(E) (*Benchmark Discontinuation*), in respect of any London Banking Day in the relevant Reference Period, the Calculation Agent determines that the SONIA Reference Rate is not available on the Page or has not otherwise been published by the relevant authorised distributors or the Bank of England, such SONIA Reference Rate shall be:

(a) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(b) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraphs above, but subject to Condition 5.2(b)(E) (*Benchmark Discontinuation*), if the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors or the Bank of England. To the extent that any amendments or modifications to the Conditions, the Trust Deed or the Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Rate of Interest, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions, the Trust Deed and the Agency Agreement.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, the Rate of Interest shall be: (A) that determined as at the last preceding Interest Determination Date (through substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period); or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

If the Notes either (a) become due and payable in accordance with Condition 10.1 (*Events of Default*), or (b) are redeemed before the Maturity Date specified in the applicable Final Terms in accordance with Condition 6 (*Redemption, Purchase and Options*) then, for such Notes (and in the case of limb (b) of this paragraph, only such Notes which are so redeemed), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the Final Terms, be deemed to be the date on which the Notes became due and payable or the date fixed for such redemption (with corresponding adjustments being deemed to be made to the Compounded Daily SONIA formula); and the Rate of Interest on the Notes shall, for so long as the Notes remain outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

(D) **Step Up Option**: This Condition 5.2(b)(D) (*Step Up Option*) applies only to Notes in respect of which the applicable Final Terms indicate that the Step Up Option is applicable (the "**Step Up Notes**").

For any Step Up Notes for which a Step Up Event occurs, if any, the Initial Rate of Interest (in the case of Fixed Rate Notes) or the Initial Margin (in the case of Floating Rate Notes) shall be increased by the Step Up Margin specified in the applicable Final Terms in relation to the SPT which triggered the Step Up Event, to be applied for any Interest Period commencing on or after the Interest Payment Date immediately following the Notification Date.

Net Operational Carbon Emissions, Capital Carbon Emissions, Natural Household Water Abstraction and PSR Adoption shall each be reported in the Anglian Water's annual report, which shall disclose (i) the percentage by which Net Operational Carbon Emissions and Capital Carbon Emissions in respect of the relevant Financial Year have reduced compared to the Net Operational Carbon Emissions Baseline or Capital Carbon Emissions Baseline (as applicable), (ii) the average daily amount (in litres per household consumption) of Natural Household Water Abstraction and (iii) the percentage of PSR Adoption in the relevant Financial Year, in each case as calculated in good faith by Anglian Water Services Limited. The Baselines and/or SPTs may be adjusted in good faith to account for Significant Changes if those Significant Changes drive an increase or a decrease in KPI performance of greater than 5 per cent. The Anglian Water Group may also, if it deems such recalculation necessary (acting in good faith), choose to recalculate the relevant Baseline and/or SPT for Significant Changes that drive an increase or decrease in KPI performance of less than 5 per cent., especially when structural changes falling within limb (a) of the definition of "Significant Changes" occur. Any such Baseline adjustments

which are deemed necessary will be notified in writing by the Anglian Water Group to the Issuing and Paying Agent, the Note Trustee and the Noteholders via a regulatory news service, and such notification shall include reasonable details of the reason for such Baseline adjustment. Each Anglian Water Group annual report shall include or be accompanied by a Verification Assurance Report, which will be published on the Verification Publication Date. The performance of the KPIs as of 2025 and 2030 against each corresponding SPT will be notified in writing, by the Anglian Water Group to the Issuing and Paying Agent, the Note Trustee and the Noteholders on the relevant Notification Date.

A Step Up Event (and a subsequent application of a Step Up Margin) may, in respect of a particular Series of Step Up Notes, occur independently in respect of any of a Net Operational Carbon SPT, a Capital Carbon SPT, Natural Household Water Abstraction SPT, PSR Adoption SPT and, for the avoidance of doubt, following a Step Up Event occurring in respect of a particular Series of Step Up Notes in respect of any applicable Net Operational Carbon SPT, Capital Carbon SPT, Natural Household Water Abstraction SPT, PSR Adoption SPT or Additional SPT there may be a further Step Up Event in respect of that same Series of Step Up Notes as a result of the Anglian Water Group subsequently failing to meet the Sustainability Performance Target (to the extent a further Sustainability Performance Target is specified as applicable in the applicable Final Terms) which had not previously resulted in a Step Up Event (resulting in the application of a further Step Up Margin, as specified in the applicable Final Terms).

If a Step Up Event does occur (such that the Initial Rate of Interest (in the case of Fixed Rate Notes) or Initial Margin (in the case of Floating Rate Notes) is increased by the Step Up Margin as described above), the Rate of Interest or Margin (as applicable) will not subsequently decrease to the Initial Rate of Interest or the Initial Margin (as applicable) at any time after such occurrence of a Step Up Event, regardless of the Net Operational Carbon Emissions, Capital Carbon Emissions, Natural Household Water Abstraction or PSR Adoption at any time after that occurrence of a Step Up Event. Any such Step Up Event and Step Up Margin which is applicable will be notified promptly in writing by the Issuer to the Issuing and Paying Agent, the Note Trustee and the Noteholders.

If the Step Up Event is the Verification Step Up Event, no Step Up Margin will apply provided that: (i) the reason for the occurrence of the Verification Step Up Event was outside the control of the Anglian Water Group; (ii) the Issuer certifies to the Note Trustee (with reasonable supporting detail and explanation) that the publication of the relevant Verification Assurance Report has been delayed for reasons outside of the control of the Anglian Water Group; or (iii) the Verification Assurance Report has been published as required by this Condition 5.2(b)(D) (*Step Up Option*) (the "**Verification Remedy Event**"), and if a Step Up Margin has already been applied in relation to such Verification Step Up Event, it will cease to apply from the date that the Verification Remedy Event has occurred.

In this Condition 5.2(b)(D) (*Step Up Option*):

"**Additional SPT**" means any additional SPT specified in the applicable Final Terms for a particular issuance of Step Up Notes, which must apply in respect of either Capital Carbon Emissions or Net Operational Carbon Emissions;

"**Anglian Water Group**" means AWG Parent Co and its Subsidiaries;

"**Baseline**" means the Capital Carbon Emissions Baseline, the Net Operational Carbon Emissions Baseline, Natural Household Water Abstraction Baseline and PSR Adoption Baseline;

"**Capital Carbon Emissions**" means GHG emissions associated with the construction, operation and maintenance of infrastructure assets, including (without limitation) GHG emissions associated with the carbon footprint of the Anglian Water Group as a result of the construction projects undertaken by it within the Perimeter, covering the extraction, transportation and processing of raw materials and from site construction activities required to create or maintain a built asset, or part thereof, measured by $_tCO_{2e}$, which for the avoidance of doubt, does not include any GHG emissions which form part of the Net Operational Carbon Emissions;

"**Capital Carbon Emissions Baseline**" means the Capital Carbon Emissions Baseline specified in the applicable Final Terms, as may be adjusted in accordance with this Condition 5.2(b)(D) (*Step Up Option*);

"**Capital Carbon SPT**" means either Capital Carbon SPT(a) or Capital Carbon SPT(b) (or both);

"**Capital Carbon SPT(a)**" means the avoidance of 65 per cent. of Capital Carbon Emissions by 31 March 2025 from the Capital Carbon Emissions Baseline;

"**Capital Carbon SPT(b)**" means the avoidance of 70 per cent. of Capital Carbon Emissions by 31 March 2030 from the Capital Carbon Emissions Baseline;

"**External Verifier**" means any independent accounting or appraisal firm or other independent expert of internationally recognised standing appointed by Anglian Water Services Limited, in each case, with the expertise necessary to perform the functions required to be performed by the External Verifier under these Conditions.

"**GHG**" means greenhouse gas;

"**Initial Margin**" means, in respect of Floating Rate Notes, the initial Margin specified in the applicable Final Terms;

"**Initial Rate of Interest**" means, in respect of Fixed Rate Notes, the initial Rate of Interest specified in the applicable Final Terms;

"**KPI(s)**" means key performance indicators;

"**Natural Household Water Abstraction**" means water extracted for household use as a result of, within the Perimeter, the process of extracting water from natural sources, measured by the average daily amount of water (in litres) abstracted directly from rivers, reservoirs and groundwater, for household use, per capita in a year;

"**Natural Household Water Abstraction Baseline**" means the Natural Household Water Abstraction Baseline specified in the applicable Final Terms, as may be adjusted in accordance with this Condition 5(2)(c)(D) (*Step Up Option*);

"**Natural Household Water Abstraction SPT**" means Natural Household Water Abstraction SPT(a) or Natural Household Water Abstraction SPT(b);

"**Natural Household Water Abstraction SPT(a)**" means to reduce the average daily amount of water abstracted directly from rivers, reservoirs and groundwater for household consumption per capita to 189.3 litres per household consumption by 31 March 2025;

"**Natural Household Water Abstraction SPT(b)**" means to reduce the average daily amount of water abstracted directly from rivers, reservoirs and groundwater for household consumption per capita to 179.1 litres per household consumption by 31 March 2030;

"**Net Operational Carbon Emissions**" means all operational GHG emissions (being all Scope 1 emissions, Scope 2 emissions and some Scope 3 emissions which are limited to business travel, outsourced activities within the Perimeter and transmission and distribution losses) measured by $_tCO_{2e}$;

"**Net Operational Carbon Emissions Baseline**" means the baseline figures set out in the table below:

	2018/2019 (**Baseline**) *measured in $_tCO2e$*
Scope 1	123,302
Scope 2	209,818
Scope 3 (operational GHG emissions)	32,676
Annual gross emissions	365,796
Exported renewables	(9,444)
Net emissions	356,351

"**Net Operational Carbon SPT**" means Net Operational Carbon SPT(a) or Net Operational Carbon SPT(b) (or both);

"**Net Operational Carbon SPT(a)**" means to reduce the Net Operational Carbon Emissions by 30 per cent. by 31 March 2025 from the Net Operational Carbon Emissions Baseline;

"**Net Operational Carbon SPT(b)**" means to reduce the Net Operational Carbon Emissions to zero by 31 March 2030 from the Net Operational Carbon Emissions Baseline;

"**Notification Date**" means a date falling on or before the earlier of: (a) the date falling 15 days after the Verification Publication Date; and (b) 31 July in each calendar year;

"**Perimeter**" means the regulated activity of Anglian Water Services Limited;

"**PSR Adoption Baseline**" means the PSR Adoption Baseline specified in the applicable Final Terms, as may be adjusted in accordance with this Condition 5(2)(c)(D) (*Step Up Option*);

"**Scope 1**", "**Scope 2**" and "**Scope 3**" have the meanings attributed to them in the GHG Protocol Corporate Accounting and Reporting Standards (revised edition);

"**Significant Changes**" means:

(a) structural changes in the Perimeter (due to acquisition, a merger, a demerger or other restructuring), an amalgamation, a consolidation or other form of reorganisation with similar effect, a spin-off, a disposal or a sale of assets, which shall not include any organic changes to the Perimeter triggering a recalculation or update of any Baseline and/or SPTs. When significant structural changes occur in the middle of a year, the current and baseline year will be recalculated for the entire year. In the event of an acquisition, in order to ensure that full and accurate data is available, recalculation will be carried out within one year after the structural change that has occurred;

(b) methodological changes to the methodology for calculation of any KPI to reflect changes in market practice, the relevant market standards, which individually or in aggregate, has a significant impact on the level of any SPT or any KPI – methodological changes include updated assumptions or calculation methods (including updates in emission factors, where the update is not related to an actual change in the conditions such as annual updates of electricity grid factors);

(c) regulatory changes in or any amendment to any applicable laws, regulations, rules, guidelines and policies relating to the business of the Anglian Water Group, including transition plan disclosure regulation; and

(d) changes in the Anglian Water Group's ability to calculate its SPTs and/or Baseline(s), including for example changes to data accessibility. Recalculation will also be triggered by the discovery of significant error or multiple cumulative errors.

a "**Step Up Event**" occurs if the Anglian Water Group fails to:

(a) as applicable, publish the Verification Assurance Report in 2025 or 2030 by the Verification Publication Date in such year except where a Verification Remedy Event has occurred; and/or

(b) meet the Net Operational Carbon SPT(a); and/or

(c) meet the Net Operational Carbon SPT(b); and/or

(d) meet the Capital Carbon SPT(a); and/or

(e) meet the Capital Carbon SPT(b); and/or

(f) meet the Natural Household Water Abstraction SPT(a); and/or

(g) meet the Natural Household Water Abstraction SPT(b); and/or

(h) meet the PSR Adoption SPT(a); and/or

(i) meet the PSR Adoption SPT(b); and/or

(j) meet any applicable Additional SPT,

provided that following a Step Up Event in respect of a particular Series of Step Up Notes and in respect of either a Net Operational Carbon SPT, a Capital Carbon SPT, a Natural Household Water Abstraction SPT or a PSR Adoption SPT or any applicable Additional SPT, there may be a further Step Up Event in respect of the same Series of Step Up Notes as a result of the Anglian Water Group subsequently failing to meet the relevant Sustainability Performance Target (to the extent a further Sustainability Performance

Target is specified as applicable in the applicable Final Terms) which had not previously resulted in a Step Up Event;

"**Step Up Margin**" means the amount specified in the applicable Final Terms as being the applicable Step Up Margin for the relevant Sustainability Performance Target;

"**Sustainability Performance Targets**" or "**SPT**" means (as applicable) the Net Operational Carbon SPT, the Capital Carbon SPT, the Natural Household Water Abstraction SPT, the PSR Adoption SPT and/or any Additional SPT as specified in the applicable Final Terms;

"**$_tCO_{2e}$**" means tonnes of carbon dioxide equivalent;

"**Verification Assurance Report**" means a verification assurance report prepared at the expense of the Issuer in which the External Verifier verifies the performance by the Anglian Water Group of each KPI according to each corresponding SPT;

"**Verification Publication Date**" means the date the Verification Assurance Report is published, which shall be no later than 120 days after 31st March in each year; and

"**Verification Step Up Event**" means the Step Up Event described in limb (a) of that definition.

(E) **Benchmark Discontinuation**

(i) *Independent Adviser*

If the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.2(b)(E)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5.2(b)(E)(iv) (*Benchmark Amendments*)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5.2(b)(E)(i) (*Independent Adviser*) shall act in good faith and in a commercially reasonable manner. In the absence of bad faith, fraud or negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the Note Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 5.2(b)(E) (*Benchmark Discontinuation*).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate and, in either case, an Adjustment Spread (if any) and any Benchmark Amendments, in accordance with this Condition 5.2(b)(E) (*Benchmark Discontinuation*), by the date five Business Days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be

applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this Condition 5.2(b)(E)(i) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5.2(b)(E)(i) (*Benchmark Discontinuation*).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in this Condition 5.2(b)(E)(ii) (*Successor Rate or Alternative Rate*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.2(b)(E)(ii) (*Successor Rate or Alternative Rate*)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.2(b)(E)(ii) (*Successor Rate or Alternative Rate*)).

(iii) *Adjustment Spread*

If the Independent Adviser determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.2(b)(E)(iv) (*Benchmark Amendments*) and the Independent Adviser determines (i) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.2(b)(E)(v) (*Notices*), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Note Trustee, the Calculation Agent and the Paying Agents of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 5.2(b)(E)(v) (*Notices*), each of the

Note Trustee, the Calculation Agent and the Paying Agents shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in using its reasonable endeavours to effect any Benchmark Amendments, (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed and/or the Agency Agreement, as applicable) and the Note Trustee, the Calculation Agent and the Paying Agents shall not be liable to any party for any consequence thereof. Notwithstanding the above the Note Trustee, the Calculation Agent and the Paying Agents shall not be obliged so to concur if in the opinion of the Note Trustee, the Calculation Agent or the Paying Agents (as applicable) doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities (in the case of the Note Trustee, against which it has not been indemnified and/or secured and/or prefunded to its satisfaction) or reduce or amend the protective provisions afforded to it in these Conditions, the Agency Agreement and/or the Trust Deed and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 5.2(b)(E)(iv) (*Benchmark Amendments*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Notices*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.2(b)(E)(v) (*Notices*) will be notified promptly by the Issuer to the Note Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 15 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Note Trustee of the same, the Issuer shall deliver to the Note Trustee, the Calculation Agent and the Paying Agents a certificate signed by two Authorised Signatories of the Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5.2(b)(E)(v) (*Notices*); and

(B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

Each of the Note Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the

Benchmark Amendments (if any) and without prejudice to the Note Trustee's, the Calculation Agent's and the Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Note Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Conditions 5.2(c)(E)(i) (*Independent Adviser*), 5.2(c)(E)(ii) (*Successor Rate or Alternative Rate*), 5.2(c)(E)(iii) (*Adjustment Spread*) and 5.2(c)(E)(iv) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Conditions 5.2(c)(B) (*Screen Rate Determination for Floating Rate Notes (EURIBOR)*) and 5.2(c)(C) (*Screen Rate Determination (for SONIA)*) will continue to apply unless and until the Issuer determines that a Benchmark Event has occurred.

Notwithstanding any other provision of this Condition 5.2(b)(E)(vi) (*Survival of Original Reference Rate*), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5.2(b)(E)(vi) (*Survival of Original Reference Rate*), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

(F) **Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be "Zero Coupon" is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in this Condition 5.2(b)(F) (*Zero Coupon Notes*)).

"**Zero Coupon Note**" means a Note on which no interest is payable.

(G) **Dual Currency Notes**

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating the Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

"**Dual Currency Note**" means a Note in respect of which the amount payable (whether in respect of principal or interest and whether at maturity or otherwise) will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.

5.3 **Calculation of Interest**

(a) **Accrual of Interest**

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well as before judgment) at the Rate of Interest in the manner provided in this Condition 5 (*Interest*) to the Relevant Date (as defined in Condition 8 (*Taxation*)).

(b) **Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding**

(A) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5.2 (*Interest on Floating Rate Notes*), by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to Condition 5.3(b)(B).

(B) If any Maximum or Minimum Rate of Interest, Instalment Amount or Maximum or Minimum Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(C) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency which is available as legal tender in the country of such currency.

(c) **Calculations**

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount as specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(d) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts**

The Calculation Agent shall, as soon as practicable after the Relevant Time on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to

calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Note Trustee, the Issuer, each of the Paying Agents, the Noteholders or any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, make such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5.2(b) (*Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Note Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 11 (*Enforcement*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 (*Interest*) but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Note Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(e) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

(ii) in the case of a Successor Rate, if no such recommendation has been made, or in the case of an Alternative Rate, the Independent Adviser determines, is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate;

(iii) in the case of a Successor Rate, if no such recommendation has been made, or in the case of an Alternative Rate, the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions

which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(iv) if the Issuer determines that no such industry standard is recognised or acknowledged, the Independent Adviser determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5.2(b)(E)(ii) (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark**" means EURIBOR or SONIA, as may be specified in the relevant Final Terms.

"**Benchmark Amendments**" has the meaning given to it in Condition 5.2(b)(E)(iv) (*Benchmark Amendments*).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published on the Page for a period of at least five Business Days or ceasing to be calculated or administered; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, by a specified date, be prohibited from being used or that it will be subject to restrictions or adverse consequences, either generally, or in respect of the Notes, in each case; or

(v) it has or will, by the specified date within the following six months, become unlawful for any Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate, and

notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within paragraphs (ii), (iii), (iv) or (v) above and the specified dated in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such specified date.

"**Broken Amount**" means the amount, if any, specified as such in the relevant Final Terms.

"**Business Centre**" has the meaning specified in the relevant Final Terms.

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;

(ii) in the case of euro, a day on which the T2 is open for the settlement of payments in euro (a "**TARGET Business Day**"); and/or

(iii) in the case of a currency and/or one or more Business Centres as specified in the relevant Final Terms, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency or, if no currency is indicated, generally in each of the Business Centres.

"**Business Day Convention**" has the meaning given to it in the relevant Final Terms.

"**Calculation Amount**" means the amount specified as such in the relevant Final Terms.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual-ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(v) If "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(vi) "if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30; and

(vii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Determination Period and (y) the number of Determination Periods in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods in any year; and

(2) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods in any year,

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date.

"**Early Redemption Amount**" means the amount, if any, specified in the relevant Final Terms.

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"**EURIBOR**" means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate).

"**Final Redemption Amount**" means the amount, if any, specified in the relevant Final Terms.

"**Fixed Coupon Amount**" means the amount, if any, specified in the relevant Final Terms.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own cost under Condition 5.2(b)(E)(i).

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the

Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Payment Date**" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date unless otherwise specified in the applicable Final Terms.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"**ISDA Benchmark Supplement**" means the ISDA Benchmark Supplement as published by the International Swaps and Derivatives Association, Inc., as may be amended or supplemented from time to time.

"**ISDA Definitions**" means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., as may be amended or supplemented from time to time.

"**Issue Date**" means a date that any Notes are issued by the Issuer.

"**Margin**" means the rate per annum (expressed as a percentage) specified in the relevant Final Terms.

"**Maturity Date**" means the maturity date specified in the relevant Final Terms.

"**Maximum Redemption Amount**" means the amount, if any, specified in the relevant Final Terms.

"**Minimum Redemption Amount**" means the amount, if any, specified in the relevant Final Terms.

"**Optional Redemption Amount**" means the amount, if any, specified in the relevant Final Terms.

"**Optional Redemption Date**" means the date specified in the relevant Final Terms.

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"**Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Market 3000 ("**Reuters**")) as may be specified in the Final Terms for the purpose of providing a Relevant Rate (if the Relevant Rate is not SONIA) or for the purpose of providing the SONIA Relevant Rate (if the Relevant Rate is SONIA), or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate or the SONIA Reference Rate, as applicable.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified in, or calculated in accordance with the provisions of, the relevant Final Terms.

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount, or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of the relevant Final Terms.

"**Reference Banks**" means the institutions specified as such in the relevant Final Terms or, if none, four leading banks selected by the Issuer in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be Europe).

"**Relevant Financial Centre**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be Europe) or, if none is so connected, London.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Relevant Rate**" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and, for the purpose of this definition "**local time**" means, with respect to Europe as a Relevant Financial Centre, Brussels time.

"**Representative Amount**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"**Specified Currency**" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

"**Specified Duration**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relevant Interest Accrual Period, ignoring any adjustment pursuant to Condition 5.2(b) (*Business Day Convention*).

"**Sterling**", "**Pounds**" or "**£**" means the lawful currency of the United Kingdom;

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

(f) **Calculation Agent and Reference Banks**

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Note Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) which is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as specified in this Condition 5.3(f) (*Calculation Agent and Reference Banks*).

6 Redemption, Purchase and Options

6.1 Redemption by Instalments and Final Redemption

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 (*Redemption, Purchase and Options*), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a

proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

6.2 **Early Redemption Amount**

(i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6.3 (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*) shall be the "Amortised Face Amount" (calculated as provided below, the "**Amortised Face Amount**") of such Note unless otherwise specified hereon.

(B) Subject to the provisions of paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6.3 (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in paragraph (B) above, except that this paragraph (C) shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this paragraph (C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5.2(b)(F) (*Zero Coupon Notes*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Fixed Rate Notes:

(A) Where "Spens Price" is specified in the applicable Final Terms as being applicable, the Optional Redemption Amount in respect of each applicable Note (the "**Spens Price**") shall be the greater of the following:

1. its principal amount outstanding; and

2. the price determined to be appropriate by a financial adviser in London (selected by the Issuer and notified to the Note Trustee) as being the price at which the

Gross Redemption Yield (as defined below) on such Notes on the Reference Date (as defined below) is equal to the sum of (A) the Gross Redemption Yield at 3.00 p.m. (London time) on the Reference Date on the Reference Gilt (as defined below) while that stock is in issue, and thereafter such United Kingdom Government stock as the Issuer may, with the advice of three persons operating in the gilt-edged market (selected by the Issuer and notified in writing to the Note Trustee), determine to be appropriate; and (B) such Redemption Margin as may be specified in the applicable Final Terms.

For the purposes of paragraph (ii) above, "**Gross Redemption Yield**" means a yield expressed as a percentage and calculated on a basis consistent with the basis indicated by the United Kingdom Debt Management Office publication "*Formulae for Calculating Gilt Prices from Yields*" published 8 June 1998 with effect from 1 November 1998 and updated on 15 January 2002, page 4 or any replacement therefor, "**Reference Date**" means the date which is two Business Days prior to the despatch of the notice of redemption under Condition 6.4(i) below; and "**Reference Gilt**" means the treasury Stock specified in the relevant Final Terms.

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, the nominal amount of the Notes represented by such Global Notes shall be adjusted accordingly.

(iii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraphs (i) and (ii) above), upon redemption of such Note pursuant to Condition 6.3 (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*), shall be the Final Redemption Amount unless otherwise specified hereon.

6.3 **Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6.2 (*Early Redemption Amount*)) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee were called, the Guarantors) satisfies the Note Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantors, as the case may be) taking reasonable measures available to it (including, but not limited to, the replacement of the Issuing and Paying Agent), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantors, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or either Guarantee, as the case may be) then due and provided that any two Directors of the Issuer are able to certify in the

notice provided to the Noteholders that it has sufficient funds to pay such Optional Redemption Amount. Prior to the publication of any notice of redemption pursuant to this Condition 6.3 (*Redemption for Taxation Reasons*), the Issuer shall deliver to the Note Trustee a certificate signed by two Directors of the Issuer (or the Guarantors, as the case may be) stating that the obligation referred to in limb (i) above cannot be avoided by the Issuer (or the Guarantors, as the case may be) taking reasonable measures available to it and the Note Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in limb (ii) above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

6.4 **Redemption at the Option of the Issuer**

(i) *Optional redemption:* If "Issuer Call" is specified as "Applicable" in the relevant Final Terms, and provided that on or prior to the date on which the notice expires, the Note Trustee has not instituted proceedings against the Issuer and/or the Guarantors in accordance with Condition 11 (*Enforcement*), the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) in accordance with Condition 15 (*Notices*) redeem all or, if so provided, some of the Notes on any Optional Redemption Date ("**Issuer Call**"). Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, provided that any two Directors of the Issuer are able to certify in the notice provided to the Noteholders that it has sufficient funds to pay such Optional Redemption Amount. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6.4 (*Redemption at the Option of the Issuer*).

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or, in the case of Registered Notes, shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes to be redeemed, which shall have been drawn in such place as the Note Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(i) *Optional Redemption 3-Months Par Call*: If "3-Months Par Call" is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 10 days' nor more than 60 days' written notice to the Note Trustee and the relevant Noteholders (which notice shall specify the date fixed for redemption (the "**3-Months Par Call Redemption Date**") and the applicable record date), redeem the Notes in whole, but not in part, at any time during the period commencing on (and including) the day that is 90 days prior to the Maturity Date to (but excluding) the Maturity Date, at the principal amount outstanding plus any accrued but unpaid interest on the principal amount outstanding ("**3-Months Par Call**").

(ii) *Optional Redemption Residual Call*: If "Residual Call" is specified as being applicable in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued, the Issuer may, having given not less than 10 days' nor more than 60 days' written notice to the Note Trustee and the relevant Noteholders (which notice shall specify the date fixed for redemption (the "**Residual Call Redemption Date**") and the applicable record date), redeem the Notes in whole, but not in part, at any time (in the case of Fixed Rate Notes) or on any Interest Payment Date (in the case

of the Floating Rate Notes), at the principal amount outstanding, if appropriate, with interest accrued to (but excluding) the date of redemption ("**Residual Call**").

6.5 Guarantor Change of Control Put

If at any time there occurs a Guarantor Change of Control, a "**Guarantor Change of Control Event**" shall be deemed to have occurred.

If Guarantor Change of Control Put is specified as "Applicable" in the relevant Final Terms, promptly upon the Issuer or the Guarantors being aware of a Guarantor Change of Control Event having occurred and in any event within 14 days thereof, the Guarantors or the Issuer shall give notice to the Noteholders of the occurrence of such Guarantor Change of Control Event (such notice, a "**Guarantor Change of Control Event Notice**"), any such notice to be delivered in accordance with the provisions of Condition 15 (*Notices*). At any time from the date of giving such Guarantor Change of Control Event Notice to the date falling 45 days thereafter (such period, the "**Put Exercise Period**") upon the Issuer receiving at least five Business Days' notice from any Noteholder (any such notice, a "**Put Event Notic**e"), the Notes of such Noteholder as specified in the Put Event Notice shall become due and repayable and the Issuer will, upon the expiry of such Put Event Notice (such date, the "**Guarantor Change of Control Event Date**"), redeem each Note the subject of such Put Event Notice at 101 per cent. of its principal amount together with interest accrued to (but excluding) the Guarantor Change of Control Event Date.

Pursuant to the above provisions, any Noteholder having the right to require early redemption of any Notes held by it pursuant to this Condition 6.5 (*Guarantor Change of Control Put*), to exercise the right to require redemption of such Notes such Noteholder must, if such Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the Put Exercise Period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Exercise Notice**") and in which the Noteholder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6.5 (*Guarantor Change of Control Put*) accompanied by such Note or evidence satisfactory to the Paying Agent concerned that such Note will, following delivery of the Put Exercise Notice, be held to its order or under its control. If such Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of such Notes, the holder of such Note must, within the Put Exercise Period, give notice to the Issuing and Paying Agent of such exercise in accordance with the standard procedures of Euroclear or, as the case may be, Clearstream, Luxembourg (which may include notice being given on instruction of the relevant Noteholder by Euroclear or Clearstream, Luxembourg, as the case may be, or any common service provider for them to the Issuing and Paying Agent by electronic means) in a form acceptable to Euroclear or, as the case may be, Clearstream, Luxembourg from time to time and, if such Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Issuer and Paying Agent for notation accordingly.

Any Put Exercise Notice or other notice given by a holder of any Note in accordance with the standard procedures of Euroclear or, as the case may be, Clearstream, Luxembourg pursuant to this Condition 6.5 (*Guarantor Change of Control Put*) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Note Trustee has declared the Notes to be due and repayable pursuant to Condition 10 (*Events of Default*), in which event such holder, at its option, may

elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.5 (*Guarantor Change of Control Put*).

In this Condition 6.5 (*Guarantor Change of Control Put*):

"**Guarantor Change of Control**" means the Initial Investors and/or any Initial Investor Affiliates and/or any Acceptable Investor and/or any Acceptable Investor Affiliate together or separately cease to control, directly or indirectly, PledgeCo. For the purposes of this definition, "**control**" of PledgeCo means:

(a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of PledgeCo; or

(ii) appoint or remove all, or the majority, of the directors or other equivalent officers of PledgeCo; or

(iii) give directions with respect to the operating and financial policies of the PledgeCo with which the directors or other equivalent officers of PledgeCo are obliged to comply; and/or

(b) the holding beneficially of more than one-half of the issued share capital of PledgeCo (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

"**Acceptable Investor**" means an entity:

(a) which is a financial investor, Fund or Trust which is engaged in making or holding investments in infrastructure assets with each such investor having total infrastructure assets under management of no less than £2,000,000,000 (or its currency equivalent); or

(b) in respect of which, if the conditions in sub-paragraph (a) above are not met, the Majority Creditors have consented to such entity being an Acceptable Investor, such consent not to be unreasonably withheld or delayed,

in each case, provided that such investor, Fund or Trust has complied with all necessary "know your customer" or other similar requirements imposed on each Lender by applicable law or regulation to the satisfaction of the relevant Lender (and for the avoidance of doubt, no fees shall be charged by Lenders in connection with this process) (the "**Investor KYC Condition**").

"**Acceptable Investor Affiliate**" means, in relation to an Acceptable Investor, any Fund, Trust or company (including any unit trust, investment trust, limited partnership or general partnership) which has satisfied the Investor KYC Condition and which is controlled by, which is advised by, or which is, or the assets of which are, managed from time to time by:

(a) that Acceptable Investor; or

(b) any Fund, Trust or company which is controlled by that Acceptable Investor and which forms part of that Acceptable Investor's consolidated group for accounting purposes,

and this shall include any wholly-owned subsidiary of such Fund, Trust or company but for the avoidance of doubt shall not include an investee company of an Acceptable Investor.

"**Fund**" means any unit trust, investment trust, investment company, limited partnership, general partnership or other collective investment scheme, investment professional (as defined in Article 19(5)(d) of the Financial Services and Markets Act (Financial Promotion) Order 2005), high net worth company, unincorporated association or high value trust (as defined in Article 49(2)(a) to (c) of the

Financial Services and Markets Act (Financial Promotion) Order 2005), pension fund, insurance company, authorised person under the FSMA or any body corporate or other entity, in each case the assets of which are managed professionally for investment purposes.

"**Initial Investors**" means Camulodunum Investments Limited, Canada Pension Plan Investment Board, Colonial First State Global Asset Management, Industry Funds Management (Nominees) Limited and Infinity Investments S.A..

"**Initial Investor Affiliate**" means, in relation to an Initial Investor:

(a) any Fund, Trust or company (including any unit trust, investment trust, limited partnership or general partnership) which is controlled by, which is advised by, or which is, or the assets of which are, managed from time to time by:

(I) that Initial Investor; or

(II) any Fund, Trust or company which is controlled by that Initial Investor and which forms part of that Initial Investor's consolidated group for accounting purposes,

and this shall include any wholly-owned Subsidiary of such Fund, Trust or company but, for the avoidance of doubt, shall not include an investee company of an Initial Investor; or

(b) in relation to Industry Funds Management (Nominees) Limited, or any Initial Investor Affiliate of Industry Funds Management (Nominees) Limited pursuant to paragraph (a) of this definition Members Equity or IFBT.

"**Lenders**" means the "Lenders" as defined in the Initial MidCo Facility Agreement.

"**Trust**" includes a superannuation fund, managed investment scheme or custodial responsibility.

6.6 **Redemption at the Option of Noteholders**

If "Investor Put" is specified as "Applicable" in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) in accordance with Condition 15 (*Notices*), redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption ("**Investor Put**").

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

6.7 **Purchases**

Each of the Issuer, the Guarantors and its Subsidiaries (as defined in the Trust Deed) may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantors or any other Subsidiary of a Guarantor, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be

deemed to be outstanding for the purposes of Condition 10 (*Events of Default*), Condition 12.2 (*Meetings of Noteholders*) or Condition 11 (*Enforcement*).

6.8 Cancellation

All Notes purchased by or on behalf of the Issuer, the Guarantors or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to, or to the order of, the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantors in respect of any such Notes shall be discharged.

7 Payments and Talons

7.1 Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7.6(vi) (*Unmatured Coupons and Receipts and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 7.6(ii) (*Unmatured Coupons and Receipts and Unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the T2.

7.2 Registered Notes and Record Date

(i) Payments of principal (which, for the purposes of this Condition 7.2 (*Registered Notes and Record Date*), shall include final Instalment Amounts but no other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which, for the purpose of this Condition 7.2 (*Registered Notes and Record Date*), shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the 15th day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

7.3 Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner

as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

7.4 Payments subject to Fiscal Laws etc.

All payments are subject in all cases to: (i) any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto (any such withholding or deduction, a "**FATCA Withholding**"). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

7.5 Appointment of Agents

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantors and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantors and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantors reserve the right at any time with the approval of the Note Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, Transfer Agents, or Calculation Agent(s), provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require; (v) a Paying Agent having its specified office in a major European city, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case as approved by the Note Trustee.

In addition, the Issuer and the Guarantors shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. Dollars in the circumstances described in Condition 7.2 (*Registered Notes and Record Date*).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

7.6 Unmatured Coupons and Receipts and Unexchanged Talons

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9 (*Prescription*)).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note or Dual Currency Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender, if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(vii) **Talons**: On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and, if necessary, another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 9 (*Prescription*)).

7.7 Non-business days

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7.7 (*Non-business days*), "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" hereon, and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantors in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any authority therein or thereof having

power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantors shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection**: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note, Receipt or Coupon;

(b) **Lawful avoidance of withholding**: to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment; or

(c) **Presentation more than 30 days after the Relevant Date**: presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date, except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the 30th day.

As used in these Conditions, "**Relevant Date**" means, in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 (*Interest*) or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition 8 (*Taxation*) or any undertaking given in addition to or in substitution for it under the Trust Deed.

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any FATCA Withholding. Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

9 Prescription

Claims against the Issuer and/or the Guarantors for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

10.1 Events of Default

The Events of Default (as defined in the Master Definitions Agreement) relating to the Notes are set out in Schedule 4 (*Events of Default*) of the Common Terms Agreement.

(a) **Events of Default**

If any Event of Default occurs and is continuing, subject always to the terms of the STID, the Note Trustee may at any time (in accordance with the provisions of the Trust Deed and the STID), and if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) and, in each case, subject to being indemnified and/or secured and/or pre-funded to its satisfaction shall, give notice to the Issuer that the Notes are, and they shall immediately become due and payable at their Early Redemption Amount together (if applicable) with accrued interest.

(b) **Confirmation of no Default**

The Transaction Agent, pursuant to the terms of the Common Terms Agreement, shall provide written confirmation to the Security Trustee that no Default (as defined in the Master Definitions Agreement) has occurred.

(c) **Enforcement of Security**

If the Note Trustee gives written notice to the Security Trustee that an Event of Default has occurred and is continuing under the Notes of any Series, a Standstill Period shall commence. The Security Trustee may only enforce the Security acting in accordance with the STID and, subject to certain limitations on enforcement during a Standstill Period, on the instructions of the Majority Creditors.

(d) **Automatic Acceleration**

In the event of the acceleration of the Secured Liabilities in accordance with the STID (other than Permitted Share Pledge Accelerations or Permitted Hedge Terminations (each as defined in the Master Definitions Agreement) as set out in the STID), the Notes of each Series shall automatically become due and repayable at their respective Early Redemption Amounts determined in accordance with Condition 6.2 (*Early Redemption Amount*) plus accrued and unpaid interest thereon or as specified in the applicable Final Terms.

11 Enforcement

11.1 Subject to the provisions of the STID, no Noteholder or Couponholder shall be entitled to institute proceedings directly against the Issuer or the Guarantors unless the Note Trustee, having become bound to proceed in accordance with the STID, fails to do so within a reasonable time and such failure is continuing.

11.2 The Security Trustee will act (subject to Condition 10.1(c) (*Enforcement of Security*)) on the instructions of the Majority Creditors pursuant to the STID, and neither the Note Trustee nor the Security Trustee shall be bound to take any such action unless it is indemnified and/or secured and/or prefunded to its satisfaction against any and all fees, costs, expenses, liabilities, claims and demands to which it may thereby become liable for which it may incur by so doing.

12 Meetings of Noteholders, Modifications and Substitution

12.1 Decisions of Majority Creditors

The STID contains provisions dealing with the manner in which matters affecting the interests of the Secured Creditors (including the Note Trustee and the Noteholders) will be dealt with. Noteholders will (subject to various Reserved Matters and Entrenched Rights) be bound by the decisions of the Majority Creditors (and additionally in a Default Situation, decisions made pursuant to the emergency instruction procedure (as set out in Clause 14.3 (*Emergency Instruction Procedure*) of the STID)).

As more fully set out in the STID and the Trust Deed:

(a) in relation to any STID Proposal concerning an Ordinary Voting Matter which does not give rise to Entrenched Rights for such Noteholders, no Noteholder (nor their Secured Creditor Representative) shall have any vote;

(b) subject to paragraph (e) below, in relation to any STID Proposal concerning an Ordinary Voting Matter which gives rise to Entrenched Rights for such Noteholders:

(I) voting in respect of Notes will be exercised by Noteholders in accordance with the voting procedures set out in the Trust Deed; and

(II) subject to the Noteholders affected by the Entrenched Right having passed an Extraordinary Resolution (as defined in the Trust Deed) to approve or reject such STID Proposal in accordance with the Trust Deed, the Note Trustee shall vote under the STID in a single vote by reference to the entire Outstanding Principal Amount of the relevant Notes for or against (as applicable) such STID Proposal;

(c) subject to paragraph (e) below, in respect of any STID Proposal on an Extraordinary Voting Matter which does not give rise to Entrenched Rights for such Noteholders:

(I) each of the Noteholders shall be entitled to direct the Note Trustee to vote on its behalf in accordance with the Trust Deed. Following such direction, provided that such direction is given by the Noteholders within the timeframes specified in the Trust Deed, the Note Trustee shall cast a vote accordingly on behalf of such Noteholders in respect of the relevant Extraordinary Voting Matter pursuant to the STID; and

(II) each Noteholder shall have one vote in respect of each pound sterling of Outstanding Principal Amount of Notes held or represented by it. Votes will be divided between votes cast in favour and votes cast against in an amount equal to the aggregate Outstanding Principal Amount of each Note that voted on the STID Proposals within the Decision Period (subject to any Extension Period in accordance with the STID). Votes cast in favour and votes cast against will then be aggregated by the Security Trustee with the votes cast for and against by the other Qualifying Secured Creditors.

(d) subject to paragraph (e) below, in respect of any STID Proposal concerning an Extraordinary Voting Matter which gives rise to Entrenched Rights for such Noteholders:

(I) voting in respect of Notes will be exercised by Noteholders in accordance with the voting procedures set out in the Trust Deed; and

(II) subject to the Noteholders affected by the Entrenched Right having passed an Extraordinary Resolution (as defined in the Trust Deed) to approve or reject such STID Proposal in accordance with the Trust Deed, the Note Trustee shall vote under the STID

in a single vote by reference to the entire Outstanding Principal Amount of the relevant Notes for or against (as applicable) such STID Proposal.

(e) All votes will be cast and notified to the Security Trustee on a Series by Series basis and no Noteholder in any Series shall be entitled to assert (or direct the Note Trustee to assert) any Entrenched Right unless an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders of the same Series has passed.

Whilst a Default Situation is subsisting, certain decisions and instructions may be required in a timeframe which does not allow the Note Trustee to convene Noteholder meetings. To cater for such circumstances, the STID provides for an emergency instruction procedure. The Security Trustee will be required to act upon instructions contained in an emergency notice (an "**Emergency Instruction Notice**"). An Emergency Instruction Notice must be signed by Qualifying Secured Creditor Representatives (the "**EIN Signatories**") representing 66⅔ per cent. or more of the aggregate Outstanding Principal Amount of the Qualifying Secured Debt after, *inter alia*, excluding from the Outstanding Principal Amount any Series of Notes which has not voted for or against the relevant STID Proposal or Direction Notice within 10 Business Days of the date on which the STID Proposal or Direction Notice is deemed to be given, the proportion of Qualifying Secured Debt in respect of which the Note Trustee is the Qualifying Secured Creditor Representative and in respect of which the Note Trustee has not voted. The Emergency Instruction Notice must specify in reasonable detail the action which the EIN Signatories require the Security Trustee to take and must contain a certification from each of the EIN Signatories (other than any Note Trustee) that in their reasonable opinion: (a) the interests of the EIN Signatories would be materially prejudiced unless the action which the EIN Signatories require or are approving the Security Trustee to take under the STID Matter is taken by the date specified in the Emergency Instruction Notice; and (b) (in the case of a STID Proposal only) such STID Proposal does not contravene the Entrenched Rights or Reserved Matters of any other Secured Creditor. To the extent that a Note Trustee is an EIN Signatory, then limbs (a) and (b) above shall not apply to it and instead such Note Trustee must provide confirmation that it has either signed such Emergency Instruction Notice in accordance with its discretionary powers under the relevant Trust Deed or that it has been directed by Noteholders to provide such instruction. The Security Trustee shall not be entitled to undertake any Enforcement Action or action any matter which is an Extraordinary Voting Matter pursuant to any Emergency Instruction Notice and no Emergency Instruction Notice shall be valid if it relates to carrying out any Enforcement Action.

12.2 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings (including by means of audio or video conference call) of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown

hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 75 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

No person who is a Restricted Noteholder shall be entitled to vote in respect of any meeting of the Noteholders, and each Noteholder shall be required to certify to the Note Trustee (and indemnify the trustee in respect of the same) that it is not a Restricted Noteholder.

12.3 Modification of the Trust Deed

The Note Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) (subject to the terms of the STID) any modification of any of the provisions of the Trust Deed, these Conditions or the Finance Documents to which the Note Trustee is a party that is, in the opinion of the Note Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) (except as mentioned in the Trust Deed and subject to the terms of the STID) any other modification and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, these Conditions or any Finance Document to which the Note Trustee is a party that is in the opinion of the Note Trustee not materially prejudicial to the interests of the Noteholders.

In addition, (i) the Note Trustee shall agree to any amendment to these Conditions or the Programme Documents to which it is a party or in relation to which it holds Security for certain purposes as further described in the Trust Deed, and (ii) the Note Trustee shall be obliged to concur with the Issuer in using its reasonable endeavours to effect any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5.2(b)(E)(iv) (*Benchmark Amendments*) without the consent of the Noteholders or Couponholders.

Any such modification, additional provisions, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Note Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

12.4 Substitution

The Trust Deed (subject to the terms of the STID) contains provisions permitting the Note Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Note Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business in place of the Issuer or of the Guarantors' successor in business in place of the Guarantors, or, in each case, in place of any previous substituted company, as principal debtor or, as the case may be, a Guarantor under the Trust Deed and the Notes. In the case of such a substitution, the Note Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change

of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed, provided that such change would not in the opinion of the Note Trustee be materially prejudicial to the interests of the Noteholders.

12.5 **Entitlement of the Note Trustee**

In connection with the exercise of its functions (including, but not limited to, those referred to in this Condition 12 (*Meetings of Noteholders, Modifications and Substitution*)), the Note Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Note Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12.6 **Benchmark Amendments**

For the avoidance of doubt, the requirements set out in this Condition 12 (*Meetings of Noteholders, Modifications and Substitution*) do not apply to amendments to these Conditions, the Agency Agreement and/or the Trust Deed that are made pursuant to Condition 5.2(b)(E)(iv) (*Benchmark Amendments*).

13 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in London (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, Security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further securities shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 *(Further Issues*) and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may, be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Note Trustee so decides.

15 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). If in the opinion of the Note Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 15 *(Notices*).

16 Indemnification of Note Trustee and Security Trustee

16.1 Indemnification of Note Trustee

The Trust Deed contains provisions for the indemnification of the Note Trustee and for its relief from responsibility. The Note Trustee is entitled to enter into business transactions with the Issuer, the Guarantors and any entity related to the Issuer or the Guarantors without accounting for any profit.

The Note Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Note Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Note Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Note Trustee and the Noteholders.

16.2 Indemnification of Security Trustee

Subject to the Entrenched Rights and Reserved Matters of the Security Trustee, the Security Trustee will only be required to take any action under or in relation to, or to enforce or protect the Security, or any other security interest created by a Finance Document, or a document referred to therein, if instructed to act by the Majority Creditors or Secured Creditors (or their representatives) (as appropriate) in accordance with the STID and if indemnified and/or secured and/or prefunded to its satisfaction.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 (the "**Act**"), but this does not affect any other right or remedy of a third party which exists or is available apart from the Act.

18 Governing Law and Jurisdiction

Governing Law: The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

Jurisdiction: The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee (including any disputes in relation to non-contractual obligations arising out of or in connection with them) and, accordingly, any legal action or proceedings

arising out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantors has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the relevant Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original Issue Date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Where the Global Notes or the Global Certificates issued in respect of any Tranche are in NGN form or issued under the NSS structure, the ICSDs will be notified whether or not such Global Notes or Global Certificates are intended to be held in a manner which would allow Eurosystem eligibility.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original Issue Date of the Tranche to a Common Depositary.

If the Global Note is issued in CGN form, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is issued in NGN form, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "*Overview of the Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.3 below, in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

3.3 Exchange provisions relating to Global Notes generally

In the event that Global Notes are exchangeable for Definitive Notes in circumstances other than the limited circumstances specified in the Global Notes, such Global Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.4 Permanent Global Certificates

If the relevant Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2.2 (*Transfer of Registered Notes*) may only be made in part:

(i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.4(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.5 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable for Definitive Notes if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms).

3.6 Delivery of Notes

If the Global Note is issued in CGN form, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or, if the Global Note is issued in NGN form, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.7 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its Issue Date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is in CGN form, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the

Notes. Condition 7.5 (*Appointment of Agents*) and will apply to the Definitive Notes only. If the Global Note is in NGN form or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a Global Note in NGN form will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7.7 (*Non-business days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment (the "**Record Date**"), where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 (*Taxation*)).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantors or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in the Conditions of the Notes or the relevant Final Terms and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and, accordingly, no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be

reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.7 **Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is in CGN form, presenting the permanent Global Note to the Issuing and Paying Agent for notation. Where the Global Note is in NGN form or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.8 **NGN Nominal Amount**

Where the Global Note is in NGN form, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above, shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.9 **Trustee's Powers**

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Note Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.10 **Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes (including, for the avoidance of doubt, any Step Up Notes) will be used for refinancing of existing debt and general corporate purposes of the MidCo Group. If, in respect of an issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

DESCRIPTION OF THE RELEVANT SUSTAINABILITY TARGET

The following is a summary of the Anglian Water Group Sustainable Finance Framework published on 14 February 2024.

Rationale for Issuing Sustainability-Linked Guaranteed Notes

The issue of Sustainability-Linked Guaranteed Notes links Anglian Water's funding with its sustainability objectives, leveraging ambitious targets that are relevant, core and material to its business.

Key Performance Indicators

The Anglian Water Group has selected four key performance indicators (the "**KPIs**" or "**Key Performance Indicators**"), which are core, relevant and material to the business. These KPIs will be measured against specific sustainability performance targets, namely the SPTs (as defined below).

(a) **KPI 1**: **Net Operational Carbon Emissions** – means all operational GHG emissions (being all Scope 1 emissions, Scope 2 emissions and some Scope 3 emissions relevant to Anglian Water's core outsourced activities, within the regulated activity of Anglian Water Services Limited (the "**Perimeter**"), over which Anglian Water has operational control, net of surplus renewable generation exported and purchase of Renewable Energy Guarantees of Origin ("**REGO**") backed green tariff electricity, measured by carbon dioxide equivalent "$_tCO_{2e}$".

(b) **KPI 2**: **Capital Carbon Emissions –** means GHG emissions associated with the construction, operation and maintenance of infrastructure assets, including (without limitation) GHG emissions associated with the carbon footprint of the Anglian Water Group as a result of the construction projects undertaken by it within the Perimeter, covering the extraction, transportation and processing of raw materials and from site construction activities required to create or maintain a built asset, or part thereof, measured by $_tCO2_e$, which for the avoidance of doubt does not include any GHG emissions which form part of the Net Operational Carbon Emissions.

(c) **KPI 3: Natural Household Water Abstraction** – means water extracted for household use as a result of, within the Perimeter, the process of extracting water from natural sources, measured by the average daily amount of water (in litres) abstracted directly from rivers, reservoirs and groundwater, for household use, per capita in a year.

(d) **KPI 4: PSR Adoption** – means the proportion of households registered with Anglian Water Group's priority service register (the "**PSR**"), measured as a percentage of billed domestic properties, excluding any void properties, supplied with water and/or wastewater services within the Perimeter.

BUSINESS DESCRIPTION OF ISSUER

The Issuer was incorporated in England and Wales on 22 December 2010 with registered number 07476767 (LEI: 21380072JDZ74GW9ZY87) and is a public limited company under the Companies Act 2006 (as amended). The registered office of the Issuer is at Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU. The telephone number of the Issuer's registered office is 01480 323 000. The website of the Issuer is *www.anglianwater.co.uk* but information on the website does not form part of this Prospectus unless it has been explicitly incorporated by reference into this Prospectus.

1 Ownership

The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, which are all fully paid and all of which are legally and beneficially owned by MidCo (see "*Business Description of MidCo*" below).

2 Business Activities

The Issuer is a special purpose financing entity with no business operations other than raising external funding for MidCo through the issuance of the Notes and other debt finance. The Issuer has no subsidiaries.

The Issuer has not engaged, since its incorporation, in any material activities nor commenced operations other than those incidental to its registration as a public company under the Companies Act 2006 (as amended), to the issue of Notes under this Programme, and the entry into of financing transactions entered into in accordance with the MidCo Common Debt Platform and other matters which are incidental or ancillary to the foregoing. Save as disclosed in this Prospectus, the Issuer has no loan capital, borrowings or material contingent liabilities (including guarantees) as at the date of this Prospectus. The Issuer has no employees.

The Issuer will covenant to observe certain restrictions on its activities which are detailed in the Conditions, the CTA and the Trust Deed.

3 Financial Statements

The accounting reference date of the Issuer is 31 March and the statutory accounts of the Issuer for the 12 months ended 31 March 2025 and 31 March 2026 have been prepared and delivered to the Registrar of Companies prior to the filing deadline as set out in the Companies Act 2006. The Issuer will prepare interim accounts. The auditors of the Issuer are Deloitte LLP, of 2 New Street Square, London, EC4A 3BZ, registered to carry on audit work in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

4 Corporate Governance

The following table sets out the directors of the Issuer and their respective business addresses and occupations.

Name	Position	Business Address
Sir Ian Cheshire	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Mr Mark Thurston	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire PE29 6XU
Mr Michael Bradley	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU

Name	Position	Business Address
Mr Paul Whittaker	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU

In addition to being directors of the Issuer, PledgeCo and MidCo, Sir Ian Cheshire, Mr Mark Thurston and Mr Michael Bradley are all directors of Anglian Water Group Limited, Osprey Holdco Limited, Aigrette Financing Limited, Aigrette Financing (Issuer) Plc, Anglian Water Services UK Parent Co Limited, AWS, Anglian Water Services Holdings Limited, and Anglian Water Services Financing Plc. In addition, Mr Mark Thurston is a director of Anglian Venture Holdings Limited and both Mr Mark Thurston and Mr Michael Bradley are directors of AWG Group Limited and AWG Parent Co Limited. Mr Paul Whittaker is also a director of MidCo and PledgeCo.

The company secretary of the Issuer is Celia Gough.

5 Conflicts

There are no potential conflicts of interest between any duties to the Issuer of its directors and their private interests or duties.

BUSINESS DESCRIPTION OF MIDCO

MidCo was incorporated in England and Wales on 24 August 2006 (registered number 05915896) as a private limited company under the Companies Act 1985 (as amended). The registered office of MidCo is at Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU. The telephone number of MidCo's registered office is 01480 323 000.

1 Ownership

The issued share capital of MidCo comprises 87,615,751,949 ordinary shares of one pence each, all of which are beneficially owned by PledgeCo.

2 Business Activities and Subsidiaries

MidCo is a holding company with no material, direct business operations which was incorporated for the purposes of acquiring AWG Parent Co Limited (formerly AWG Plc) which it completed in November 2006. MidCo holds the entire issued share capital of AWG Parent Co Limited. MidCo was formed at the direction of a consortium made up of Australian and Canadian pension funds and United Kingdom Infrastructure funds and comprising Canada Pension Plan Investment Board, Colonial First State Global Asset Management (the asset management division of Commonwealth Bank of Australia), IFM Investors and 3i Group plc. Following the acquisition, MidCo is the holding company for the MidCo Group which is principally represented by AWS, a regulated water and wastewater company serving in excess of 7,000,000 customers in the East of England and Hartlepool.

For a description of the business of AWG Parent Co Limited and its subsidiaries, including AWS, and subsequent changes to the MidCo Group's ultimate shareholders, see (*Anglian Water Business Description*) of the AWS Base Prospectus, which is incorporated by reference in this Prospectus (see "*Documents Incorporated by Reference*").

MidCo is the beneficial owner of the entire issued share capital of the Issuer.

MidCo will covenant to observe certain restrictions on its activities which are set out in the Trust Deed, the CTA and the Conditions.

3 Financial Statements

The accounting reference date of MidCo is 31 March and the statutory accounts of MidCo for the 12 months ended 31 March 2025 and 31 March 2026 have been prepared and delivered to the Registrar of Companies prior to the filing deadline as set out in the Companies Act 2006. The auditors of MidCo are Deloitte LLP, of 2 New Street Square, London, EC4A 3BZ, registered to carry on audit work in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

4 Corporate Governance

The following table sets out the directors of MidCo and their respective business addresses and occupations:

Name	Position	Business Address
Sir Ian Cheshire	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Mr Mark Thurston	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU

Name	Position	Business Address
Mr Michael Bradley	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Mr Paul Whittaker	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU

In addition to being directors of the Issuer, PledgeCo and MidCo, Sir Ian Cheshire, Mr Mark Thurston and Mr Michael Bradley are all directors of Anglian Water Group Limited, Osprey Holdco Limited, Aigrette Financing Limited, Aigrette Financing (Issuer) Plc, Anglian Water Services Holdings Limited, Anglian Water Services UK Parent Co Limited, AWS and Anglian Water Services Financing Plc. Mr Mark Thurston is a director of Anglian Venture Holdings Limited and both Mr Mark Thurston and Mr Michael Bradley are also directors of AWG Group Limited and AWG Parent Co Limited. Mr Paul Whittaker is also a director of the Issuer and PledgeCo.

The company secretary of MidCo is Celia Gough.

5 Conflicts

There are no potential conflicts of interest between any duties to MidCo of its directors and their private interests or duties.

BUSINESS DESCRIPTION OF PLEDGECO

PledgeCo was incorporated in England and Wales on 6 May 2021 (registered number 13379422) as a private limited company under the Companies Act 2006 (as amended). The registered office of PledgeCo is at Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU. The telephone number of PledgeCo's registered office is 01480 323 000.

1 Ownership

The issued share capital of PledgeCo comprises 1,199,800,004 ordinary shares of one pound each which are beneficially owned by Aigrette Financing Limited.

2 Business Activities and Subsidiaries

PledgeCo's activities are solely those of a finance company. PledgeCo is a special purpose financing entity.

3 Financial Statements

The accounting reference date of PledgeCo is 31 March and the statutory accounts of PledgeCo for the 12 months ended 31 March 2025 and 31 March 2026 have been prepared and delivered to the Registrar of Companies prior to the filing deadline as set out in the Companies Act 2006. The auditors of PledgeCo are Deloitte LLP, of 2 New Street Square, London, EC4A 3BZ, registered to carry on audit work in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

4 Corporate Governance

The following table sets out the directors of PledgeCo and their respective business addresses and occupations:

Name	Position	Business Address
Sir Ian Cheshire	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Mr Mark Thurston	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Mr Michael Bradley	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Mr Paul Whittaker	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU

In addition to being directors of the Issuer, PledgeCo and MidCo, Sir Ian Cheshire, Mr Mark Thurston and Mr Michael Bradley are also directors of Anglian Water Group Limited, Osprey Holdco Limited, Aigrette Financing Limited, Aigrette Financing (Issuer) Plc, Anglian Water Services UK Parent Co Limited, Anglian Water Services Holdings Limited, AWS and Anglian Water Services Financing Plc. Mr Mark Thurston is a director of Anglian Venture Holdings Limited and both Mr Mark Thurston and Mr Michael Bradley are also directors of AWG Group Limited and AWG Parent Co Limited. Mr Paul Whittaker is also a director of the Issuer and MidCo.

The company secretary of PledgeCo is Celia Gough.

5 Conflicts

There are no potential conflicts of interest between any duties to PledgeCo of its directors and their private interests or duties.

OVERVIEW OF THE FINANCING ARRANGEMENTS

The Issuer and MidCo are party to a number of financing arrangements, both in respect of certain legacy transactions and the arrangements contemplated by the Common Debt Documents (as defined below). An overview of these arrangements is set out below.

Legacy Financing Platform

Prior to the entry into of the Common Debt Documents (as defined below), Osprey Acquisitions Limited ("**MidCo**") and Anglian Water (Osprey) Financing plc (the "**Issuer**") established the Programme with the applicable intercreditor arrangements set out in the amended and restated intercreditor agreement dated 6 January 2011 (the "**Legacy Intercreditor Agreement**") in respect of the secured creditors described therein (the "**Legacy Secured Creditors**") (and such platform being the "**Legacy Financing Platform**"). The Legacy Financing Platform and the Legacy Intercreditor Agreement have, following the expiry of the Transition Period, been terminated and/or have been replaced (as applicable) by the MidCo Common Debt Platform (as defined below).

Financing Platform

The Issuer and the Guarantors are the Obligors under the secured common debt platform established on 16 June 2021 (the "**MidCo Common Debt Platform**"). The Obligors entered into the STID, Common Terms Agreement, Account Bank Agreement, Master Definitions Agreement and the MidCo Obligors Security Agreement (the "**Common Debt Documents**") with, *inter alia*, the Security Trustee. The Common Debt Documents set out the framework under which the Guarantors and the Issuer may raise debt (including the Notes) and contain common representations, warranties, covenants and events of default, as well as intercreditor arrangements.

Following the establishment of the MidCo Common Debt Platform, the Issuer and the Guarantors are prohibited from incurring any Financial Indebtedness under the Legacy Financing Platform. Any Notes issued from the date of this Prospectus are subject to the MidCo Common Debt Platform only.

OVERVIEW OF THE KEY DOCUMENTS

Security Trust and Intercreditor Deed

General

The intercreditor arrangements in respect of the MidCo Group are contained in the STID and the CTA (the "**Intercreditor Arrangements**"). The Intercreditor Arrangements bind each of the Secured Creditors and the Subordinated Creditors and each of the Obligors.

The Secured Creditors include any Additional Secured Creditors that may accede or have acceded to the STID after the date of the STID. Any new Authorised Credit Facility Provider will be required to accede to the STID, the CTA, and the Master Definitions Agreement. The STID requires that, to the extent that an Obligor wishes any person to accede as a Secured Creditor to the CTA, the Master Definitions Agreement and the STID, the relevant Obligor must notify the Security Trustee thereof in writing. Each such proposed Additional Secured Creditor (acting, where applicable, through its Secured Creditor Representative) must, together with the Obligor deliver to the Security Trustee an Accession Memorandum whereby it agrees to be bound by the terms of the STID, the Master Definitions Agreement and the CTA.

Unsecured creditors (other than the Subordinated Creditors) may not become parties to the Intercreditor Arrangements and, although ranking behind the Secured Creditors in an administration or other enforcement as a matter of law, will have unfettered independent rights of action in respect of their debts. However, the aggregate amount of unsecured Financial Indebtedness is restricted under the CTA.

The STID also contains provisions restricting the rights of Subordinated Creditors in respect of any Subordinated Debt of an Obligor from time to time.

"**Subordinated Creditor**" means PledgeCo and Aigrette Financing Limited;

"**Subordinated Debt**" means in respect of MidCo, any Financial Indebtedness which for the purpose of the STID is to be treated as Subordinated Liabilities and where the creditor in respect of such Financial Indebtedness is a party to the STID and CTA as a Subordinated Creditor in respect of the Subordinated Liabilities; and

"**Subordinated Liabilities**" means all present and future liabilities at any time of MidCo to a Subordinated Creditor in respect of any Subordinated Debt.

The purpose of the Intercreditor Arrangements under the STID is to regulate, among other things (i) the claims of the Secured Creditors and the Subordinated Creditors; (ii) the exercise, acceleration and enforcement of rights by the Secured Creditors; (iii) the procedures by which the Secured Creditors can instruct the Security Trustee to exercise certain rights or take certain steps in respect of the Common Documents and to regulate their rights in respect of a Standstill (see the section "*Standstill*" below); (iv) the rights of the Secured Creditors to instruct the Security Trustee; (v) the Discretion Matters, the Entrenched Rights and the Reserved Matters of the Secured Creditors and the Enhanced Rights Matters; and (vi) the giving of consents and waivers and the making of modifications to the Common Documents.

The Intercreditor Arrangements under the STID also provide for the ranking in priority of payment of the claims of the Secured Creditors, both before and after any enforcement of the Security, and for the subordination of all claims of Subordinated Creditors. Each Secured Creditor (other than the Security Trustee), each Obligor and each Subordinated Creditor gives certain undertakings in the STID which serve to maintain the integrity of these arrangements.

Modifications, Consents and Waivers

The Transaction Agent is entitled to request the Security Trustee to concur in making any modification, giving any consent or granting any waiver under or in respect of any Common Document. Any such proposal or request will constitute a "**STID Proposal**".

STID Proposal

Each STID Proposal shall be by way of notice in writing to the Security Trustee and shall certify whether such STID Proposal:

(i) is in respect of a Discretion Matter, an Ordinary Voting Matter, an Extraordinary Voting Matter or an Enhanced Rights Matter; and/or

(ii) whether it gives rise to an Entrenched Right.

Where a STID Proposal gives rise to an Entrenched Right, such STID Proposal shall specify the Affected Secured Creditors in whose favour (in the reasonable opinion of the Transaction Agent) the STID Proposal gives rise to an Entrenched Right (or where a Secured Creditor Representative (other than itself) has been appointed by such Affected Secured Creditor, such Secured Creditor Representative) as such whose consent is required for such modification, consent and/or waiver.

The Security Trustee shall, promptly on receipt of a STID Proposal, deliver a copy of the STID Proposal to the Secured Creditor Representative of each Secured Creditor.

STID Voting Request

Following receipt of a STID Proposal in respect of an Extraordinary Voting Matter or an Ordinary Voting Matter (whether or not giving rise to an Entrenched Right), the Security Trustee will deliver a STID Voting Request (attaching a copy of the STID Proposal) to each Secured Creditor (through its Secured Creditor Representative).

Each STID Voting Request will contain detailed provisions for raising objections to a voting category determination made by the Transaction Agent in any STID Proposal as to whether such STID Proposal gives rise to a Voting Matter, Discretion Matter or an Enhanced Rights Matter or gives rise to Entrenched Rights. The determination made by the Transaction Agent as to whether a STID Proposal gives rise to a Voting Matter, Discretion Matter or an Enhanced Rights Matter (each a "**Matter Determination**") shall be binding on the Secured Creditors unless the Security Trustee on the instruction of the Qualifying Secured Creditors (acting through their Qualifying Secured Creditor Representatives) representing at least 10 per cent. of the Outstanding Principal Amount of the Qualifying Secured Debt (the "**Determination Dissenting Creditors**") informs the Transaction Agent in writing within seven Business Days of receipt by the Security Trustee of the STID Proposal that the Determination Dissenting Creditors disagree with the determination of voting category made in such STID Proposal and specify the revised Matter Determination of the relevant STID Proposal (the "**Determination Dissenting Notice**").

The determination made by the Transaction Agent as to whether a STID Proposal gives rise to an Entrenched Right (an "**Entrenched Right Determination**") shall be binding on the Secured Creditors unless the Security Trustee on the instruction of a Secured Creditor (acting through its Secured Creditor Representative) (each, an "**Entrenched Right Dissenting Creditor**"), informs the Transaction Agent in writing within seven Business Days of the date of receipt by the Security Trustee of a STID Proposal that the Entrenched Right Dissenting Creditor disagrees with the determination of whether such STID Proposal gives rise to an Entrenched Right of such Secured Creditor and specifies the Secured Creditor whose Entrenched Right is affected (the "**Entrenched Right Dissenting Notice**" and together with the Determination Dissenting Notice, each a "**Dissenting Notice**").

Upon receipt of a Dissenting Notice, the Determination Dissenting Creditors or the Entrenched Right Dissenting Creditor(s) (as the case may be), and the Transaction Agent, shall enter into discussions to agree the correct

Matter Determination and/or Entrenched Right Determination within five Business Days from receipt by the Transaction Agent of the Dissenting Notice. If the Determination Dissenting Creditors or the Entrenched Right Dissenting Creditor(s) and the Transaction Agent are not able to agree on the correct Matter Determination and/or Entrenched Right Determination (as applicable) then: (i) the Transaction Agent must instruct (an) expert(s) (at the cost of the Obligors) agreed upon by the Determination Dissenting Creditors or the Entrenched Right Dissenting Creditor(s) (as the case may be) and the Transaction Agent; or (ii) if no agreement can be reached on the appointment of such (an) expert(s), then the Transaction Agent shall request the President for the time being of the Law Society of England and Wales to appoint (an) expert(s) (at the cost of the Obligors), (in either case, the "**Appropriate Expert(s)**").

The Appropriate Expert(s) (acting jointly, if comprising more than one individual), having regard to all the circumstances and facts that he/she considers relevant, must determine the relevant Matter Determination and/or Entrenched Right Determination within five Business Days of appointment of the Appropriate Expert. The decision of the Appropriate Expert(s) will be final and binding on each of the Secured Creditors, the Transaction Agent, each of the Obligors and the Security Trustee.

If the Security Trustee is not instructed to serve a Dissenting Notice within seven Business Days of the date of the relevant STID Proposal, the Security Trustee and the Secured Creditors shall be deemed to have consented to the Matter Determination and/or Entrenched Right Determination.

The Security Trustee will request from each Qualifying Secured Creditor (through its Qualifying Secured Creditor Representative on behalf of such Qualifying Secured Creditor) in respect of the related STID Proposal:

(i) a vote in writing on the STID Proposal from such Qualifying Secured Creditor (through its Qualifying Secured Creditor Representative) in accordance with the STID no later than the expiry of the Decision Period for or against implementation of that STID Proposal;

(ii) a certificate from such Qualifying Secured Creditor (through its Qualifying Secured Creditor Representative) that it is entitled under the terms of the STID to vote on the STID Proposal (except that where such Qualifying Secured Creditors are Noteholders, confirmation from the Qualifying Secured Creditor Representative that it has received proof of holding satisfactory to it shall suffice) and stating the Outstanding Principal Amount of its Qualifying Secured Debt and its Voted Qualifying Secured Debt in accordance with the STID (in the case of Qualifying Secured Debt denominated in a currency other than the Base Currency, expressed in the Base Currency on the basis of the Exchange Rate set out in the STID Voting Request); and

(iii) a certificate from such Qualifying Secured Creditor Representative that the relevant Qualifying Secured Creditor (or certain of the relevant Qualifying Secured Creditors) is (or are) not a "Connected Party" (as defined in the STID), provided that, where such Qualifying Secured Creditors are Noteholders, the Transaction Agent shall provide this certificate to the Security Trustee and the Note Trustee and both such parties shall be entitled to rely on such certificate without liability to any person.

In addition, if the STID Proposal confirms that it gives rise to an Entrenched Right, the Security Trustee will request from the Secured Creditor Representative of each Affected Secured Creditor the consent of such Affected Secured Creditor to the implementation of the STID Proposal regarding the Entrenched Right.

Discretion Matters

The Security Trustee may (subject as otherwise required in relation to Voting Matters (if a Discretion Matter is being treated as a Voting Matter), Enhanced Rights Matters and Entrenched Rights), as requested by the Transaction Agent by way of a STID Proposal, in its reasonable discretion (without the requirement to obtain the directions of the Secured Creditors), concur with the Transaction Agent and any other relevant party in

making any proposed modification to, giving any consent under or granting any waiver in respect of any breach or proposed breach of, any term of any Common Document to which the Security Trustee is a party or over which it has Security under the Security Documents in respect of any matter which:

(i) in its opinion, it is required to correct a manifest error, or it is of a formal, minor, technical or administrative nature; or

(ii) such modification, consent or waiver is not, in the opinion of the Security Trustee, materially prejudicial to the interests of any of the Secured Creditors (where "**materially prejudicial**" means that such modification, consent or waiver would have a material adverse effect on the ability of the Obligors to repay the Secured Liabilities owed to the relevant Secured Creditors),

(each a "**Discretion Matter**").

The Security Trustee shall be under no obligation to exercise its discretion in respect of any STID Proposal designated by the Transaction Agent as a Discretion Matter in the relevant STID Proposal and, if the Security Trustee chooses not to exercise its discretion, it shall notify the Transaction Agent, which may then issue a STID Proposal, referring to another category.

Ordinary Voting Matters

No proposed modification, consent, waiver or any other action shall be made, given, granted or taken in respect of a Voting Matter that is not an Extraordinary Voting Matter, Discretion Matter (subject to Clause 8.8.2 (*Procedure for Discretion Matters*) of the STID) or an Enhanced Rights Matter (each such matter an "**Ordinary Voting Matter**") unless the requirement as to the requisite majority is satisfied.

A resolution in respect of an Ordinary Voting Matter shall be passed by a majority representing more than 50 per cent. of the Voted Qualifying Secured Debt (the "**OVM Majority Creditors**").

Other than where Noteholders are Affected Secured Creditors pursuant to an Entrenched Right, no Noteholder shall have any right to vote in respect of an Ordinary Voting Matter. See Condition 12 (*Meetings of Noteholders, Modifications and Substitution*) of the Conditions and "*Overview of the Key Documents – Security Trust and Intercreditor Deed*" for further information regarding how Noteholders may vote in relation to any STID Proposal.

Extraordinary Voting Matters

No proposed modification, consent, waiver or any other action shall be made, given, granted or taken in respect of a Voting Matter which constitutes an Enforcement Action, early termination of a Standstill Period (during the first 18 months), termination of a Standstill Period (after the first 18 months) or a Permitted Share Pledge Acceleration (each such action, an "**Extraordinary Voting Matter**") unless the requirements set out (a) Clause 18.4.1(ii) (*Termination of Standstill*) of the STID, (b) Clause 18.5 (*Extension of Standstill*) of the STID with respect to termination of a Standstill Period after the first 18 months, or (c) the paragraph below, with respect to any other Extraordinary Voting Matter, as to requisite majority are satisfied.

The requisite majority for any Extraordinary Voting Matter shall be votes in favour by Qualifying Secured Creditor Representatives in respect of 66⅔ per cent. or more of the aggregate Outstanding Principal Amount of the Qualifying Secured Debt (both together in aggregate and on a per Authorised Credit Facility/Series of Notes basis) ("**EVM Majority Creditors**").

See Condition 12 (*Meetings of Noteholders, Modifications and Substitution*) of the Conditions and "*Overview of the Key Documents – Security Trust and Intercreditor Deed*" for further information regarding how Noteholders may vote in relation to any STID Proposal.

Enhanced Rights Matters

The Security Trustee shall (without the requirement to obtain the directions of the Secured Creditors) (but subject to Entrenched Rights) as requested by the Transaction Agent by way of a STID Proposal, concur with the Transaction Agent and any other relevant party in making any proposed modification to, or giving any consent under or granting any waiver in respect of any breach or proposed breach of, any term of any Common Document that results in:

(i) any member(s) of the Controlled Group becoming subject to additional covenants or covenants which are more restrictive than any covenants imposed on any member(s) of the Controlled Group under the Common Documents;

(ii) any member(s) of the Controlled Group giving, or being deemed to give, additional or more frequent representations or warranties or representations or warranties which are more extensive than any representation or warranty given or deemed to be given under the Common Documents;

(iii) any additional event or circumstance giving rise to a Trigger Event; or

(iv) any additional event or circumstance giving rise to an Event of Default,

provided that: (a) such modification, amendment, consent or waiver shall not impose any additional obligations on any Secured Creditor or reduce the protections or rights of any Secured Creditor or the Security Trustee; and (b) each Secured Creditor shall have the benefit of each such additional or enhanced covenant, representation, warranty, Trigger Event or Event of Default (each, an "**Enhanced Rights Matter**").

Specific Consent Matters

Consequential Amendments, Consents and Waivers

Subject to Entrenched Rights, any consequential amendments, consents or waivers required to be made or granted pursuant to any Common Document:

(i) for the purpose of complying with, or implementing or reflecting, any change in the criteria of the Rating Agency which may be applicable from time to time in order to maintain a rating of at least Investment Grade; or

(ii) in order to enable the Obligors and/or any Hedge Counterparty to comply with:

a. any obligation which applies to it under Articles 9, 10 and 11 of Regulation (EU) 648/2012 of the European Parliament and of the Council of OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) ("**EU EMIR**");

b. any obligation which applies to it under Articles 9, 10 and 11 of Regulation (EU) 648/2012 of the European Parliament and of the Council of OTC derivatives, central counterparties and trade repositories dated 4 July 2012 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 and as it is modified by domestic law of the United Kingdom from time to time (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) ("**UK EMIR**");

c. any other obligation which applies to it under EU EMIR or UK EMIR;

d. any similar or equivalent regulatory obligations which may come into force in the future;

(iii) for the purpose of enabling the Notes or the PP Notes to be (or to remain) listed on a stock exchange;

(iv) for the purposes of enabling the Obligors or any of the other parties to the Finance Documents to comply with FATCA (or any voluntary agreement entered into with a Tax Authority in relation thereto);

(v) in order to reflect changes in legislation following the United Kingdom's departure from the European Union; or

(vi) in order to facilitate the appointment of a successor Standstill Cash Manager and its accession to the Standstill Cash Manager Accession Documents,

shall not constitute a Voting Matter or Enhanced Rights Matter (notwithstanding that such amendment, consent or waiver would relate to a Voting Matter or an Enhanced Rights Matter, were it not for this limitation) and there shall be no requirement to obtain the consent of any Secured Creditor or Qualifying Secured Creditor, to give effect to such amendment, consent or waiver, provided that:

(a) the Transaction Agent certifies in writing to the Security Trustee that such proposed amendment, consent or waiver does not give rise to an Entrenched Right and is required solely for the purpose contemplated in the relevant aforementioned paragraph and has been drafted solely to such effect (a "**Modification Certificate**"), and:

(A) at least 30 days' prior written notice of any such proposed modification has been given to the Security Trustee and the Secured Creditor Representatives of each of the Qualifying Secured Creditors;

(B) the Modification Certificate in relation to such modification is provided to the Security Trustee both at the time the Security Trustee is notified of the proposed modification and on the date that such modification takes effect;

(b) save for paragraph (ii) above, the Transaction Agent:

(A) obtains from the Rating Agency written confirmation, a copy of which the Transaction Agent provides to the Security Trustee, (or certifies in the Modification Certificate that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at the Rating Agency) that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any of the Notes by such Rating Agency; or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); or

(B) certifies in the Modification Certificate that it has informed the Rating Agency of the proposed modification and if the Rating Agency has not indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent);

(c) the Qualifying Secured Creditors (acting through their Secured Creditor Representatives) representing at least 20 per cent. of the Outstanding Principal Amount of the Qualifying Secured Debt have not objected to such amendment, consent or waiver within 30 days of receipt by the Security Trustee and the Secured Creditor Representatives of each of the Qualifying Secured Creditors of the written notice of any such proposed modification as contemplated in paragraph (a)(A) above; and

(d) prior written notice of such proposed amendment, consent or waiver has been given to the Security Trustee and the Secured Creditor Representatives and no Secured Creditor (acting through its Secured Creditor Representative) has informed the Security Trustee within seven Business Days of such notice

having been given that such Secured Creditor disagrees with the determination by the Transaction Agent that such amendment, consent or waiver would not constitute an Entrenched Right had it been treated as a Voting Matter (or if the Security Trustee has been so informed, the procedures in Clause 8.4.6 (*Determination of Voting Category*) and Clause 8.4.7 (*Determination of Voting Category*) of the STID shall apply *mutatis mutandis*).

Financial Ratios

The STID allows amendment to the level of any financial ratio or related financial covenant definition contained within the Covenants set out in the CTA, the Trigger Events or the Events of Default, where such amendment is made following:

(i) a Periodic Review;

(ii) any transfer of activities in respect of its Appointed Business;

(iii) any reduction in RAV as a result of any change in price control methodology;

(iv) any material change in the regulation (including in respect of the economic regulation) of the water and/or wastewater sector in the United Kingdom of Great Britain and Northern Ireland; or

(v) any amendments or variations made to (1) the financial covenants set out in Part 2 (*Financial Covenants*) of Schedule 5 (*Covenants*) of the OpCo CTA, or (2) the "Trigger Events" (as defined in the OpCo MDA) (and in each case, their constituent definitions) which would result in the financial ratios set out in the Finance Documents not being conformed or aligned to those in the OpCo CTA (save as required to reflect the position of the Obligors in the Wider Group),

provided that the Security Trustee agrees (acting on the instructions of the Majority Creditors only).

Decision Period

Each STID Proposal shall specify the period of time within which the approval of the Security Trustee is sought (the "**Decision Period**") which, subject to the provisions of the STID, shall not be fewer than:

(i) in the case of any matter which does not give rise to an Entrenched Right in respect of a Noteholder, 10 Business Days from the date of delivery of the STID Proposal to the Security Trustee; or

(ii) if the STID Proposal gives rise to an Entrenched Right and the Entrenched Right is one in respect of which the Noteholders of a Series of Notes are the Affected Secured Creditors, 45 days from the date of delivery of the STID Proposal to the Security Trustee,

provided that, in each case, the STID Proposal is not passed within the Decision Period then the Transaction Agent may elect by notice to the Security Trustee to extend the period for a further five Business Days or such other period as agreed with the Security Trustee (the "**Extension Period**").

Majority Creditors

Decisions of the Majority Creditors in relation to any STID Proposal with respect to an Ordinary Voting Matter or an Extraordinary Voting Matter passed in accordance with the STID will bind the Secured Creditors in all circumstances. Other than where Noteholders are Affected Secured Creditors pursuant to Entrenched Rights, Noteholders shall not be entitled to vote in respect of any STID Proposal representing an Ordinary Voting Matter.

Secured Creditor Instructing Group

Decisions of the (a) OVM Majority Creditors in relation to any STID Proposal or Direction Notice with respect to an Ordinary Voting Matter, or (b) EVM Majority Creditors in relation to any STID Proposal or Direction

Notice with respect to an Extraordinary Voting Matter (the relevant majority, the "**Majority Creditors**") passed in accordance with this Deed will bind the Secured Creditors in all circumstances.

Where the Secured Creditor has appointed a Secured Creditor Representative, the Secured Creditor Representative will exercise all such rights and obligations on behalf of the relevant Secured Creditor and each Secured Creditor agrees that where it has appointed a Secured Creditor Representative, it shall only be entitled to act through such Secured Creditor Representative.

The following persons shall act as Secured Creditor Representatives for the persons identified to exercise (as the agent), all of their rights under the Common Documents:

(a) in respect of each Hedge Counterparty, that Hedge Counterparty or such other person as designated in any Accession Memorandum;

(b) in respect of an Account Bank, that Account Bank;

(c) in respect of the Security Trustee, the Security Trustee;

(d) in respect of each PP Noteholder, the Secured Creditor Representative (as appointed in the relevant PP Note Documents) or if no party has been identified then the individual PP Noteholders;

(e) in respect of the Noteholders for each Series of Notes, the Note Trustee and any successor Note Trustee in regard of itself and the holders of that Series of Notes in accordance with the Note Trust Deed; and

(f) in respect of any other Additional Secured Creditor from time to time, the Secured Creditor Representative named in its Accession Memorandum.

(the "**Secured Creditor Representatives**").

The identity of the Secured Creditor Representatives and their contact and address details may be amended and details of any new Secured Creditor Representatives acceding to the STID by way of an Accession Memorandum may be added by giving at least five Business Days' written notice to the Security Trustee of any changes or additions.

Noteholder Voting

In relation to any STID Proposal concerning an Ordinary Voting Matter which does not give rise to Entrenched Rights for such Noteholders, no Noteholder (nor their Secured Creditor Representative) shall have any right or entitlement to vote.

In relation to any STID Proposal concerning an Ordinary Voting Matter which gives rise to Entrenched Rights for such Noteholders, voting in respect of Notes will be exercised by Noteholders in accordance with the voting procedures set out in the relevant schedule (concerning voting in respect of STID Proposals) to the Trust Deed and, subject to the Noteholders affected by the Entrenched Right having passed an Extraordinary Resolution to approve or reject such STID Proposal in accordance with the provisions of the Trust Deed, the relevant Qualifying Secured Creditor Representative shall vote in a single vote by reference to the Outstanding Principal Amount of the relevant Notes for or against (as applicable) such STID Proposal.

In relation to any STID Proposal concerning an Extraordinary Voting Matter which does not give rise to Entrenched Rights for such Noteholders, each of the Noteholders shall be entitled to direct the Note Trustee to vote on its behalf as its Qualifying Secured Creditor Representative in accordance with the voting procedures set out in the relevant schedule (concerning voting in respect of STID Proposals) to the Trust Deed. Following such direction, provided that such direction is given by the Noteholders within the timeframes specified in the relevant schedule (concerning voting in respect of STID Proposals) to the Trust Deed, the Note Trustee shall cast a vote accordingly on behalf of such Noteholders in respect of the relevant Extraordinary Voting Matter

pursuant to the terms of the STID. Each Noteholder shall have one vote in respect of each pound sterling of Outstanding Principal Amount of Notes held or represented by it. Votes will be divided between votes cast in favour and votes cast against in an amount equal to the aggregate Outstanding Principal Amount of each Note that voted on the STID Proposals within the Decision Period (subject to any Extension Period in accordance with Clause 8.2.7 (*Minimum requirements of STID Proposal*) of the STID). Votes cast in favour and votes cast against will then be aggregated by the Security Trustee with the votes cast for and against by the other Qualifying Secured Creditors.

In relation to any STID Proposal concerning an Extraordinary Voting Matter which gives rise to Entrenched Rights for such Noteholders, voting in respect of Notes will be exercised by Noteholders in accordance with the voting procedures set out in the relevant schedule (concerning voting in respect of STID Proposals) to the Trust Deed) and, subject to the Noteholders affected by the Entrenched Right having passed an Extraordinary Resolution to approve or reject such STID Proposal in accordance with the provisions of the Trust Deed, the relevant Qualifying Secured Creditor Representative shall vote in a single vote by reference to the Outstanding Principal Amount of the relevant Notes for or against (as applicable) such STID Proposal.

All votes by the Noteholders will be cast and notified to the Security Trustee on a Series-by-Series basis and no Noteholder in any Series shall be entitled to assert (or direct the Note Trustee to assert) any Entrenched Right unless an Extraordinary Resolution of Noteholders of the same Series has passed.

Disenfranchisement of Connected Parties

Without prejudice to the terms of any other Finance Document in relation to any additional disenfranchisement provisions, for so long as any Secured Debt is beneficially owned by or on behalf of the Issuer, the other Obligors, any Subsidiary thereof or any other member of the Group, or an Affiliate of the foregoing (each of the foregoing being a "**Connected Party**") or for so long as a Connected Party has entered into a sub-participation agreement relating to any Secured Debt or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated:

(i) in ascertaining the relevant Majority Creditors for any consent, waiver, amendment or other vote under this Deed, the Outstanding Principal Amount of such Connected Party or that of any lender of record or equivalent under any sub-participation agreement or equivalent arrangement shall be zero; and

(ii) such Connected Party shall not be an Affected Secured Creditor,

and the Transaction Agent shall, promptly upon a request made by the Security Trustee, certify to the Security Trustee the amount (if any) of Secured Debt held by or on behalf of a Connected Party in accordance with the STID.

Hedge Counterparties

Each Hedge Counterparty is or will be a Secured Creditor party to the STID, the CTA, the Master Definitions Agreement and the Hedging Agreement pursuant to which such Hedge Counterparty provides hedging in respect of exposures to currency exchange and interest rate fluctuations in accordance with the Hedging Policy. The Hedge Counterparties will only be Qualifying Secured Creditors in respect of any Voting Matter to take Enforcement Action under any Security Agreement and after the termination of a Standstill Period (other than due to a Standstill Remedy) but will be entitled to vote their Entrenched Rights at all times.

See also the sections "*Cash Management*" and "*Hedging*" below.

Authorised Credit Facility Providers

Each Authorised Credit Facility Provider will be a Qualifying Secured Creditors and voting in respect of each Authorised Credit Facility (other than in respect of the Notes, the PP Notes or the Hedging Agreements):

(i) in respect of a STID Proposal on an Ordinary Voting Matter, shall be in accordance with and subject to any minimum quorum and voting majorities specified in such Authorised Credit Facility for the matters set out in that STID Proposal and under this Deed, by the relevant Qualifying Secured Creditor Representative in a single vote by reference to the Outstanding Principal Amount of the relevant Authorised Credit Facility for or against (as the case may be) the STID Proposal; and

(ii) in respect of a STID Proposal on an Extraordinary Voting Matter or an Ordinary Voting Matter in respect of which the minimum quorum or voting majorities specified in such Authorised Credit Facility is not met, shall be by the relevant Qualifying Secured Creditor Representative as by each relevant Authorised Credit Facility Provider who shall have one vote in respect of each pound sterling of Outstanding Principal Amount of such Authorised Credit Facility held or represented by it. Votes will be divided between votes cast in favour and votes cast against in an amount equal to the aggregate Outstanding Principal Amount of the relevant Authorised Credit Facility Provider that voted on the STID Proposals within the Decision Period (subject to any Extension Period in accordance with Clause 8.2.7 (*Minimum requirements of STID Proposal*)). Votes cast in favour and votes cast against will then be aggregated by the Security Trustee with the votes cast for and against by the other relevant Authorised Credit Facility Provider.

Standstill

The STID provides for an automatic standstill of the claims of the Secured Creditors against the Obligors (the "**Standstill**") upon notification by any Secured Creditor Representative to the Security Trustee of an Event of Default occurring (other than, for the avoidance of doubt, an Event of Default as defined in any Hedging Agreement with respect to a Hedge Counterparty) in accordance with the provisions of the STID.

During the Standstill Period:

(i) none of the Secured Creditors will be entitled to give any instructions to the Security Trustee to take any Enforcement Action (but without prejudice to the ability of the Secured Creditors to demand scheduled payment in accordance with the terms of the relevant Finance Document) in relation to the Security granted by the Obligors (other than PledgeCo in relation to the Security Agreement);

(ii) subject to clause 16.10 (*Permitted Share Pledge Acceleration*) of the STID, the Security granted by PledgeCo pursuant to the Security Agreement may be enforced at any time by the Security Trustee at the direction of the Secured Creditors in accordance with the voting procedure for Extraordinary Voting Matters;

(iii) save as provided in paragraphs (i) and (ii) above, no Enforcement Action may be taken by any Secured Creditor.

Notwithstanding the restrictions described above, during a Standstill Period, (a) any moneys received by MidCo and the Issuer and all moneys credited to the Accounts, will be applied in accordance with the cash management provisions contained in the CTA (see the section "*Cash Management*" below) and, upon application in the discharge of the Secured Liabilities, in accordance with the Payment Priorities (see the section "*Cash Management – Debt Service Reserve Account*" below); (b) the Secured Creditors will be entitled to accelerate their claims to the extent required to apply Proceeds of the MidCo Obligors Security Agreement following a Permitted Share Pledge Acceleration; and (c) MidCo and the Issuer will continue to be entitled to make drawings under the RCF Facilities.

The period of the Standstill in respect of any Event of Default (the "**Standstill Period**") will be 18 months subject to the Standstill Period being extended beyond 18 months in accordance with clause 18.5 (*Extension of Standstill*) of the STID (see the section "*Standstill Extension*" below) or terminated upon the earliest of:

(i) a Special Administration Order in respect of AWS or any formal steps are taken to commence Insolvency Proceedings against any Obligor (other than PledgeCo) other than proceedings that are commenced by the Security Trustee;

(ii) (during the first 18 months of the Standstill Period) the Qualifying Secured Creditor Representatives in respect of 75 per cent. or more of the aggregate Outstanding Principal Amount of the Qualifying Secured Debt vote (both together in aggregate and on a per Authorised Credit Facility/Series of Notes basis) to terminate the Standstill Period and (after such first 18 months) the date on which the Standstill Period terminates pursuant to the STID; and

(iii) the date of waiver or remedy of the relevant Event of Default giving rise to the Standstill Period (such waiver or remedy, a "**Standstill Remedy**").

Upon termination of a Standstill Period (except by virtue of the Standstill Remedy), each Secured Creditor will be entitled to exercise all rights which may be available to it under any Finance Document (including directing the Security Trustee to take Enforcement Action, subject to certain restrictions as set out in the STID).

Standstill Extension

In the event that a Standstill Period which has commenced upon the occurrence of an Event of Default has not been terminated within 18 months after the date of its commencement, then such Standstill Period shall be automatically extended for a further 120 days unless the Qualifying Secured Creditor Representatives in respect of 66⅔ per cent. or more of the aggregate Outstanding Principal Amount of Qualifying Secured Debt vote at any time prior to or during such further 120 days to terminate the Standstill Period.

In the event that an extended Standstill Period has not been terminated as described above, then such Standstill Period shall be automatically extended for a further 60 days unless Qualifying Secured Creditor Representatives in respect of 50 per cent. or more of the aggregate Outstanding Principal Amount of Qualifying Secured Debt vote at any time prior to or during such further 60 days to terminate the Standstill Period.

In the event that a further extended Standstill Period has not been terminated as described above, the Standstill Period shall be automatically extended for successive periods each of 60 days unless Qualifying Secured Creditor Representatives in respect of 33⅓ per cent. or more of the aggregate Outstanding Principal Amount of Qualifying Secured Debt vote at any time prior to or during such further 60 days to terminate the Standstill Period and a vote shall be taken of the relevant Qualifying Secured Creditor Representatives on the expiry of each subsequent period of 60 days for so long as the Standstill Period continues as to whether the Standstill Period should continue for a further period of 60 days.

If the Qualifying Secured Creditor Representatives vote to terminate the Standstill Period as described above, the Standstill Period will automatically terminate on the day following the date of such vote.

For these purposes, the Note Trustee shall not form part of the Secured Creditor Representatives in respect of the Outstanding Principal Amount of Qualifying Secured Debt required to terminate the Standstill Period unless the Note Trustee has been directed or requested to vote in such manner in accordance with the provisions of the Trust Deed.

Entrenched Rights

As described above, modifications, consents and waivers will be agreed to by the Security Trustee, in accordance with the Discretion Matter, Voting Matter or Enhanced Rights Matter procedure, but subject always to Entrenched Rights.

Entrenched Rights are rights that, subject to the provisions set out in the STID, can only be modified, consented to or waived in accordance with the STID if the Affected Secured Creditor approves the relevant modification, consent or waiver.

No proposed modification to be made, consent to be given or waiver to be granted, in respect of any Common Document which gives rise to an Entrenched Right shall be effective, and the Security Trustee shall not concur with the Transaction Agent in making any modification to, giving any consent under or granting any waiver in respect of breaches or proposed breaches of any Common Document which gives rise to an Entrenched Right:

(i) if the Noteholders are Affected Secured Creditors and the relevant Note Trustee has confirmed in writing to the Issuer, the Security Trustee and the Transaction Agent that the holders of the relevant Notes then outstanding affected by the Entrenched Right have considered an Extraordinary Resolution to approve the modification, consent or waiver in accordance with the provisions of the Trust Deed but that such Extraordinary Resolution was not passed or a quorum was not present at the meeting convened (or, as the case may be, reconvened) to consider such Extraordinary Resolution; and

(ii) in the case of any other Affected Secured Creditor, if such other Affected Secured Creditor (acting through their Secured Creditor Representative) has confirmed to the Security Trustee its rejection of the relevant modification, consent or waiver (subject to any required quorum and voting majorities specified in the relevant Authorised Credit Facilities),

in each case, within the Decision Period (subject to any Extension Period in accordance with the STID). To the extent that the Security Trustee has received no notice under paragraph (i) or (ii) above from an Affected Secured Creditor (acting through its Secured Creditor Representative) prior to the end of the Decision Period then such Affected Secured Creditor shall be deemed to have consented to the relevant modification, consent or waiver and no party shall suffer any liability whatsoever for acting upon such deemed consent.

For the avoidance of doubt, individual Noteholders shall not be entitled to reject a STID Proposal on the basis of an Entrenched Right other than through the Note Trustee.

Entrenched Rights of Secured Creditors

With respect to the Secured Creditors, no modification to, or consent or waiver under or in respect of, any term of the STID and/or any other Finance Document will be effective without the consent of the Secured Creditor (or, where applicable, the Standstill Cash Manager) if the proposed modification, consent or waiver:

(i) as demonstrated by the relevant Secured Creditor (or, where applicable, its Secured Creditor Representative) to the satisfaction of the Security Trustee, would result in an increase in or would adversely modify its obligations or liabilities under or in connection with the STID or any other Finance Document;

(ii) would (i) release any of the Security (unless at least equivalent replacement security is taken at the same time) unless such release is expressly permitted in accordance with the STID and the relevant Security Document or (ii) adversely alter the rights of priority of, or the enforcement by, the relevant Secured Creditor (or, where applicable, its Secured Creditor Representative) under the Security Documents other than as expressly contemplated therein;

(iii) would adversely change the Payment Priorities;

(iv) would amend or have the effect of amending the Entrenched Rights or the Reserved Matters or, where applicable, the relevant Secured Creditor's Entrenched Rights or Reserved Matters (in each case including any supplement to the Entrenched Rights of an Additional Secured Creditor as specified in the relevant Accession Memorandum);

(v) would amend or would have the effect of amending (i) the definitions of "Common Documents", "Finance Documents", "EVM Majority Creditors", "OVM Majority Creditors", "Majority Creditors", "Qualifying Secured Debt", "Restricted Payment", "Restricted Payment Conditions", "Qualifying Secured Creditor Representative" or "Voted Qualifying Secured Debt", (ii) those matters expressly requiring the consent, approval or agreement of, or directions or instructions from, or waiver by the EVM Majority Creditors, OVM Majority Creditors, Majority Creditors or the Security Trustee, or (iii) the percentages of aggregate Outstanding Principal Amount of Qualifying Secured Debt required to terminate a Standstill;

(vi) would delay the date fixed for payment of or payment of amounts in the nature of principal, interest or Make-Whole Amount in respect of the relevant Secured Creditor's Secured Debt or of any fees or premia in respect of such principal, interest or Make-Whole Amount or would reduce the amount of, or amount in the nature of, principal, interest or Make-Whole Amount payable in respect of such Secured Debt or the amount of any fees or premia in respect of such principal, interest or Make-Whole Amount;

(vii) would result in the exchange of the relevant Secured Creditor's Secured Debt for, or the conversion of such Secured Debt into, shares, notes or other obligations of any other person;

(viii) would change the currency of payment due under the relevant Secured Creditor's Secured Debt;

(ix) subject to paragraph (x) below, would change any Event of Default as set out in the CTA or any Trigger Event as set out in the CTA, or any financial ratios set out in the Finance Documents (excluding any change permitted by the STID;

(x) would relate to the waiver of any Events of Default relating to non-payment or financial ratios or to the waiver of any Trigger Events relating to financial ratios or the making of Restricted Payments;

(xi) would change the rights of the relevant Secured Creditor to receive any sums owing to it for its own account in respect of fees, costs, charges, liabilities, Taxes, damages, proceedings, claims and demands in relation to any Finance Document to which it is a party (excluding, for the avoidance of doubt, the principal, interest or Make-Whole Amount or amounts in the nature thereof payable to the relevant Secured Creditor);

(xii) would change any existing obligation of an Obligor to gross up any payment in respect of the relevant Secured Creditor's Secured Debt in the event of the imposition of withholding taxes; or

(xiii) in the case of the Standstill Cash Manager, would result in an increase in or would adversely modify its obligations or liabilities under or in connection with this Deed and/or any other Finance Document,

where "**adversely**" means, in respect of any change to the Payment Priorities or other rights of priority, a change which has the effect of changing the priority of the Secured Creditors relative to each other, or relative to any amounts ranking *pari passu* with or in priority to the Secured Creditors, provided that the creation of payments which rank subordinate to a Secured Creditor shall not be an adverse change in respect of a Secured Creditor.

Where a matter is to be demonstrated by a party to the satisfaction of the Security Trustee, the Security Trustee shall be entitled to rely, and thereby be regarded as being satisfied in relation thereto, on any written confirmation signed by two Authorised Signatories of the relevant party.

Entrenched Rights of the Note Trustee

Notwithstanding the provisions of the STID in relation to modifications, consents and waivers, with respect to the Note Trustee, no modification to, or consent or waiver under or in respect of, any term of the STID and/or any other Finance Document will be effective against the Note Trustee if the modification, waiver or consent would:

(i) adversely affect its own interests;

(ii) relate to any Reserved Matters of the Note Trustee; or

(iii) have the effect of changing any provision of the Entrenched Rights of the Note Trustee,

and the Note Trustee shall be entitled to make such determination, in its sole discretion, without having to give any reason and without being subject to the notification and dispute procedures described in the section "*STID Voting Request*" above.

Other Secured Creditors' Entrenched Rights

The Security Trustee and the Hedge Counterparties have certain other limited Entrenched Rights in relation to any provisions of the Finance Documents that generally affect them to a greater extent than others.

Reserved Matters

The parties to a Finance Document (which is not a Common Document) (an "**Other Finance Document**") may agree to any modification to, give their consent under or grant any waiver in respect of any matter under that Other Finance Document without the consent of any other party provided that, if such modification, consent or waiver is inconsistent with any provisions of the CTA or the STID, the relevant provision of the CTA or the STID shall prevail. To the extent that the Security Trustee is party to an Other Finance Document, the Security Trustee shall consent to such modification, consent or waiver if requested to do so by the relevant majority of each of the other parties to such Other Finance Document (subject to paragraph (ii) below).

In addition:

(i) each of the Secured Creditors and/or their respective Secured Creditor Representatives reserves to themselves the right to decide the Reserved Matters of the Secured Creditors and/or their respective Secured Creditor Representatives;

(ii) the Security Trustee reserves to itself the right to decide the Reserved Matters of the Security Trustee;

(iii) the Note Trustee reserves to itself the right to decide the Reserved Matters of the Note Trustee; and

(iv) each Hedge Counterparty reserves to itself the right to decide the Reserved Matters of the Hedge Counterparty.

Reserved Matters are matters which, subject to the Intercreditor Arrangements and the CTA, the Secured Creditors and/or their respective Secured Creditor Representatives are free to exercise in accordance with its own facility arrangements and so are not exercisable by or by direction of the Majority Creditors.

Those Reserved Matters which the Secured Creditors and/or their respective Secured Creditor Representatives reserve to themselves to decide are each and every right, power, authority and discretion of, or exercisable by, the Secured Creditors and/or their respective Secured Creditor Representatives at any time:

(i) to receive any sums owing to it for its own account in respect of premia (including any Make-Whole Amount, principal, fees, interest, costs, charges, liabilities, damages, proceedings, claims and demands

(and, in each case, amounts in the nature thereof) in relation to any Authorised Credit Facility or Finance Document to which it (or its Secured Creditor Representative) is a party (as permitted under the CTA);

(ii) to make determinations of and require the making of payments due and payable to it under the provisions of the Authorised Credit Facilities or Finance Documents to which it (or its Secured Creditor Representative) is a party (as permitted under the CTA);

(iii) to exercise the rights vested in it or permitted to be exercised by it (or its Secured Creditor Representative) under and pursuant to the CTA and this Deed;

(iv) to receive notices, certificates, communications or other documents or information under the Finance Documents or otherwise;

(v) to assign its rights or transfer any of its rights and obligations under any Authorised Credit Facility or Finance Document to which it (or its Secured Creditor Representative) is a party, subject always to the requirement of the assignee or transferee to accede to the CTA and this Deed as a Secured Creditor; and

(vi) in the case of each Hedge Counterparty, to terminate the relevant Hedging Agreement, provided such termination is a Permitted Hedge Termination.

The Security Trustee, the Note Trustee and the Hedge Counterparties also have certain Reserved Matters under the STID in relation to the matters that affect them more than other Secured Creditors.

Guarantee

Each of MidCo and PledgeCo irrevocably and unconditionally:

(i) guarantee to each Secured Creditor punctual performance by the Issuer (and in the case of PledgeCo, in respect of MidCo also) of all its obligations under the Finance Documents;

(ii) undertakes with each Secured Creditor that whenever the Issuer (and in the case of PledgeCo, in respect of MidCo also) does not pay any amount when due under or in connection with any Finance Document, MidCo and/or PledgeCo (as applicable) shall immediately on demand pay that amount as if it were the principal obligor; and

(iii) agrees with each Secured Creditor that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Creditor immediately on demand against any cost, loss or liability it incurs as a result of the Issuer (and in the case of PledgeCo, in respect of MidCo also) not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by MidCo and PledgeCo under this indemnity will not exceed the amount it would have had to pay under STID if the amount claimed had been recoverable on the basis of a guarantee.

The Guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Issuer or MidCo under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

Enforcement

Each of MidCo and PledgeCo has, pursuant to the STID, secured its obligations under the Guarantee. Enforcement of the Security created pursuant to the Security Agreement is subject to the terms of the STID.

At any time after any of the Security Documents has become enforceable in accordance with its terms (including, for the avoidance of doubt, after any Permitted Share Pledge Acceleration), the Security Trustee

shall (in the case of the Security granted by each of MidCo and the Issuer, subject to restrictions during a Standstill period) if so instructed by the relevant Majority Creditors (in accordance with the votes from relevant Majority Creditors in respect of a STID Voting Request or a valid Direction Notice) enforce the rights of the Secured Creditors under the Common Documents in accordance with the instructions of the relevant Majority Creditors. All Proceeds of any such enforcement will be forthwith paid or delivered directly to or to the order of the Security Trustee in accordance with the terms of the STID to be applied by the Security Trustee in accordance with the Payment Priorities.

Common Terms Agreement

General

On 16 June 2021, each of the Issuer, the Guarantors, the Security Trustee, the Note Trustee and others entered into a common terms agreement (the "**Common Terms Agreement**" or "**CTA**"). The CTA sets out the representations, covenants (information, general and financial), Trigger Events and Events of Default which will apply to each Authorised Credit Facility.

It is a term of the CTA that any representation, covenant (to the extent of being able to declare an Event of Default and/or entitle the relevant Authorised Credit Facility Provider to pursue a claim against an Obligor for such breach), Trigger Event and Events of Default contained in any document which is in addition to those in the CTA and any other Common Document and any other exception expressly set out in the CTA will be unenforceable (save for limited exceptions which will, among other things, include covenants relating to the purpose of a facility, covenants to pay (including related payment mechanics), covenants relating to remuneration, costs and expenses, mandatory "clean-down" provisions (other than upon or following the occurrence of any events of default, howsoever worded, in an Authorised Credit Facility), tax representations or covenants, certain additional representations or covenants under the Hedging Agreements and any additional or more frequent representations contained within the Trust Deed or additional covenants given to the Note Trustee under the Trust Deed in relation to its role as trustee).

The CTA also sets out the cash management arrangements which apply to the MidCo Group (see the section "*Cash Management*" below) and the Hedging Policy with which each Hedging Agreement entered into must comply with (see the section "*Hedging – Hedging Policy*" below). It is a requirement of the CTA that future providers of Authorised Credit Facilities must also accede to the CTA, STID and the Master Definitions Agreement.

A summary of the representations, covenants, Trigger Events and Events of Default to be included in the CTA is set out below.

Representations

On the date of the CTA, the Closing Date and the Initial Issue Date each Obligor made a number of representations in respect of itself to each Finance Party. Additionally, certain representations will be repeated by the relevant Obligor on (i) the date upon which any new Authorised Credit Facility is entered into; and (ii) the date upon which any new Notes (other than those issued on the Initial Issue Date) are issued under the Programme. Certain representations will also be repeated by the relevant Obligor on: (i) the date of each Utilisation Request and the first day of any borrowing, other than in relation to any Utilisation Request or borrowing under any RCF Facility during a Standstill Period (in respect of which the RCF Standstill Representations will be made instead); (ii) each payment date in respect of an Authorised Credit Facility; and (iii) in the case of an Obligor acceding to such Authorised Credit Facility, on the date of its accession.

Representations relating to financial statements, as specified in the CTA, shall be deemed to be repeated on the date on which the Transaction Agent provides any financial statements pursuant to the relevant covenants of the CTA (see below section on "*Information Covenants*").

The representations given by each Obligor are subject, in some cases, to agreed exceptions, customary qualifications and to qualifications as to materiality and reservations of law, and include, *inter alia*, representations as to:

(i) *Status*: in the case of each Obligor, its corporate status, incorporation, jurisdiction and certain other legal matters;

(ii) *Powers and Authority*: in the case of each Obligor, its power and authority to enter into and perform its obligations under the Finance Documents to which it is a party;

(iii) *Legal Validity:* in the case of each Obligor, the obligations expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations, and each Security Document to which it is a party creates Security Interests which are valid and effective;

(iv) *Non-conflict*: in the case of each Obligor, the entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with its constitutional documents, laws or regulation applicable to it or any agreement or instrument binding upon it which would have a Material Adverse Effect, nor (except as provided in any Security Document) result in the existence of, or oblige it to create, any Security over any of its assets;

(v) *Consents and Approvals*: in the case of each Obligor, it obtaining all necessary consents, licences, authorisations and approvals required to be obtained by it to enable the entry into, performance, validity and enforceability of the transactions contemplated by the Finance Documents to which it is a party have been obtained or will have been obtained before the Closing Date, and necessary for the conduct of its business substantially as conducted at the date hereof have been obtained or will have been obtained before the Closing Date, which if not obtained or complied with, or which if revoked or terminated would have a Material Adverse Effect;

(vi) *Validity and Admissibility in evidence*: in the case of each Obligor, all authorisations required or desirable to enable it to lawfully enter into, exercise its rights and comply with all obligations in the Finance Documents, make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation and to create the Security and to ensure that such Security has the priority and ranking it is expressed to have been obtained or effected and are in full force and effect;

(vii) *Governing Law and enforcement*: in the case of each Obligor, the choice of English law as the governing law of the Finance Documents and any judgment obtained in England in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation;

(viii) *Deduction of Tax*: the Issuer is not required to make any tax deductions from any payment it may make under a Finance Document to an Authorised Credit Facility Provider which is a Qualifying Lender or a Treaty Lender (subject to certain exclusions and conditions);

(ix) *Taxation*: in the case of each Obligor, it is not (and none of the Non-Regulated Subsidiaries is) materially overdue in the filing of any Tax returns, is not overdue in the payment of any amount of Tax where non-payment has or reasonably could have a Material Adverse Effect, no claims or investigations are being, or are reasonably likely to be, made or conducted against it with respect to Taxes which have or could reasonably be expected to have a Material Adverse Effect and it is resident for Tax purposes only in its jurisdiction of incorporation;

(x) *No filing or stamp taxes*: in the case of each Obligor, under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents;

(xi) *No misleading information*: in respect of each Obligor, any factual information provided by or on behalf of any member of the MidCo Group was reliable and accurate in all material respects, the financial projections provided by or on behalf of any member of the MidCo Group have been prepared on the basis of reasonable assumptions and nothing has occurred and no information has been withheld that results in the information taken as a whole, opinions or intentions provided by or on behalf of any member of the MidCo Group being untrue in any material respect;

(xii) *Financial Statements*: in the case of each Obligor, its Financial Statements being prepared in accordance with Applicable Accounting Principles, give a true and fair view of (in the case of audited Financial Statements) or fairly represent (in the case of unaudited Financial Statements) its financial condition (consolidated, if applicable) for the period to which they relate, except for any announcement of pricing determinations made by the Regulator from time to time, no event has occurred or circumstance has arisen since the date of its last Financial Statements (if any) which has a Material Adverse Effect and except disclosed to the contrary in its Financial Statements, it is not subject to any contingent liabilities or commitments that, individually or in aggregate, would be reasonably likely to have a Material Adverse Effect;

(xiii) *Litigation*: in the case of each Obligor, no litigation, arbitration, administrative proceedings or other proceedings are current or pending or threatened, against it or its assets which, if adversely determined, would have a Material Adverse Effect;

(xiv) *No Insolvency Event*: in the case of each Obligor, no Insolvency Event has occurred or is continuing in relation to it;

(xv) *Arm's length terms*: in the case of each Obligor, all arrangements or contracts with any person being on an arm's length basis, other than certain limited exceptions;

(xvi) *No Default or Potential Trigger Event*: in the case of the Obligors, no Default or Potential Trigger Event is continuing or might reasonably be expected to result from the execution by it of, or the performance of any transaction contemplated by, any Finance Document to which it is a party;

(xvii) *No Other Business*: in the case of each Obligor, it has not engaged in any business or activities, either alone or in a partnership or joint venture other than a Permitted Transaction, or incurred any liabilities before the date of the CTA, other than certain limited activities set out in the CTA;

(xviii) *Status of Security*: in the case of each Obligor, its ownership of, or interests in, the assets over which it purports to Security Interests under the Security Documents;

(xix) *Shares in Obligors*: in the case of each Obligor, its shares are fully paid up and are not subject to any transfer restrictions (except pursuant to the Finance Documents);

(xx) *Centre of Main Interests*: its centre of main interests is in its jurisdiction of incorporation;

(xxi) *PSC Regime*: it has complied in all respects with its obligations under Part 21A of the Companies Act 2006 in relation to any shares subject to any Security Interest created by it under any Security Document;

(xxii) *Issue of Share Capital of each Obligor*: in the case of each Obligor, save as permitted and except as contemplated by the Common Documents, there being (a) no agreements in force or corporate resolutions passed which call for the present or further issue or allotment of, or grant to any person the

right to call for the issue or allotment of any share (or equivalent) loan note or loan capital of it, (b) no person, firm or company which has any right to participate in its profits or to call for the issue or transfer by it of any of its share capital or loan stock and (c) no contract or arrangements, conditional or unconditional, exist whereby any person, firm or company may acquire or exercise any such right other than pursuant to the Common Documents or except as approved in writing by the Security Trustee;

(xxiii) *Compliance with laws*: in the case of each Obligor, no practice, procedure or policy employed by it in the conduct of its business violates any judgment, law regulation, agreement, order or decree applicable to it and which violation, if enforced, would have a Material Adverse Effect;

(xxiv) *Ranking of Secured Claims*: in respect of each Obligor, the claims of Secured Creditors rank prior to the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application;

(xxv) *Negative Pledge*: in the case of each Obligor, no Security Interest having been created or existing other than Permitted Security Interests;

(xxvi) *Prospectus*: in the case of each Obligor, the Prospectus containing all material information and such information is, to the best of its knowledge and belief, true, accurate and complete in all material respects and is not misleading in any material respect, and the opinions and intentions expressed therein are honestly held and based on reasonable assumptions and, to the best of its knowledge and belief, there are no other facts in relation thereto the omission of which would make any statement in the Prospectus, as at the date it was prepared or at which it is stated or given, or the opinions or intentions expressed therein untrue or misleading in any material respect, and all reasonable enquiries have been made to verify the foregoing;

(xxvii) *Anti-bribery and Corruption*: in the case of each Obligor, no part of the proceeds of any Authorised Credit Facility will be used, directly or indirectly, for any improper payments to any private counterparty, governmental official or employee, political party, official or a political party, candidate for political office, official or any public international organisation or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage. Neither it nor, to the best of its knowledge and belief, any other member of the Midco Group or any of its (or their) respective members, directors, officers, employees, agents or other representatives has engaged in any activity or conduct which would violate any applicable anti-bribery or anticorruption law or regulation including, without limitation, the US Foreign Corrupt Practices Act of 1977 or the UK Bribery Act 2010. It has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law) to ensure that it is and will continue to be in compliance with all applicable current and future anti-corruption laws and regulations and has instituted and maintained (and will continue to be maintained) policies, procedures and controls that are reasonably capable of providing and achieving compliance with such laws;

(xxviii) *No Financial Indebtedness*: in the case of each Obligor, there is no outstanding Financial Indebtedness other than Permitted Financial Indebtedness;

(xxix) *Group Structure Chart*: in the case of each Obligor, assuming the Closing Date has occurred, the Group Structure Chart is true, complete and accurate in all material respects;

(xxx) *Pensions*: in the case of each Obligor, it has not been an employer of an occupational pension scheme which is not a money purchase pension scheme (other than specifically referenced pension schemes) and it has not been issued with a Contribution Notice or Financial Support Direction nor, so far as it is aware, are there any facts or circumstances which would reasonably give rise to the Pensions Regulator issuing such a Contribution Notice or Financial Support Direction, in each case, where being such an

employer or being issued with a Contribution Notice or Financial Support Direction has or could reasonably be expected to have a Material Adverse Effect;

(xxxi) *Sanctions*: in the case of each Obligor, neither it (i) nor any other member of the MidCo Group or, to the best of its knowledge, any of its (or their) respective members, directors, officers, employees, agents or other representatives is a Sanctions Restricted Person, or is engaging in or has engaged in any transaction or conduct that would reasonably be expected to result in it becoming a Sanctions Restricted Person; (ii) nor any other member of the MidCo Group (nor, to the best of its knowledge, any of its (or their) respective agents or other representatives when acting on its (or their) behalf nor any of its (or their) members, directors, officers or employees): (a) is in violation of any Sanctions; (b) engages in any transaction, activity or conduct prohibited by any applicable Sanctions; (c) has been engaged in any transaction, activity or conduct that could reasonably be expected to result in it being designated as a Sanctions Restricted Person; or (d) has received notice of, or is otherwise aware of, any claim, action, suit, proceedings or investigation involving it with respect to Sanctions; and no provision of this paragraph shall apply to or in favour of any person if and to the extent that it would result in a breach, by or in respect of that person, of any applicable Blocking Regulation;

(xxxii) *Loans and Credit*: No Obligor has made any loan to any other person or guaranteed the obligations of any other person to a third party other than pursuant to the Finance Documents; and

(xxxiii) *Status of Notes*: Subject to the Legal Reservations and to paragraph 6.2 of schedule 6 (*Cash Management*) of the STID, (i) the Notes and PP Notes will constitute direct, secured and unconditional obligations of the Issuer; (ii) each Series of Notes rank and will at all times rank *pari passu* and rateably without preference or priority amongst themselves; (iii) each Series of PP Notes rank and will at all times rank *pari passu* and rateably without preference or priority amongst themselves; (iv) payments of interest due on the Notes will rank *pari passu* and rateably without preference or priority amongst themselves; (v) payments of interest due on the PP Notes will rank *pari passu* and rateably without preference or priority amongst themselves; (vi) repayments of principal due on the Notes will rank *pari passu* and rateably without preference or priority amongst themselves; (vii) repayments of principal due on the PP Notes will rank *pari passu* and rateably without preference or priority amongst themselves.

US Representations

In addition to the representations listed above, each Obligor also makes representations in respect of any offering of PP Notes to be offered to investors in or connected with the United States of America to each Finance Party involved in such offering. These US Representations are detailed in Part 2 (*US Representations*) of Schedule 1 (*Representations*) of the CTA and are summarised below:

(i) *Compliance with ERISA*: in the case of each Obligor, neither it nor any of its ERISA Affiliate maintain, contribute to or is obliged to maintain or contribute to, or has, at any time within the past six years, maintained, contributed to or been obligated to maintain or contribute to, any employee benefit plan which is subject to Title I or Title IV of ERISA or section 4975 of the Internal Revenue Code (a "U.S. Plan"). No Obligor, it nor any of its ERISA Affiliates is, or has been at any time within the past six years, a "party in interest" (as defined in section 3(14) of ERISA), or a "disqualified person" (as defined in section 4975 of the Internal Revenue Code) with respect to any U.S. plan;

(ii) *Plan Assets*: in the case of each Obligor, neither it nor any of its Affiliates as underlying assets which constitute "plan assets" as defined in the regulations issued by the United States Department of Labor at section 2510.3-101 of Part 2510 of Chapter XXV, Title 29 of the United States Code of Federal Regulations as modified by section 3(42) of ERISA;

(iii) *Directed Selling Efforts*: in the case of each Obligor, neither it nor any of its Affiliates nor any person acting on its or their behalf, has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to any PP Notes;

(iv) *Offering Restrictions*: in the case of each Obligor, it has implemented the necessary "offering restrictions" (as such term is defined in Regulation S) and it, and any person acting on its behalf, has complied with and will comply with the offering restrictions requirements of Regulation S;

(v) *Securities Act*: in the case of each Obligor, any PP Notes issued will not be registered under the Securities Act nor registered or qualified under any state securities or "Blue Sky" laws of the states of the United States and, accordingly, each Obligor acknowledges that PP Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(vi) *General Solicitation and General Advertising / Non-Integration*: in the case of each Obligor, neither it nor any of its Affiliates, nor any person acting on its or their behalf: (a) has made or will make offers or sales of any security, or solicited offers to buy, or otherwise negotiated in respect of, any security, under circumstances that would require the registration of any PP Notes under the Securities Act; or (b) has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with any offer or sale of PP Notes in the United States;

(vii) *Institutional Accredited Investors*: in the case of each Obligor, any PP Notes issued will only be offered, sold or resold by it in the United States pursuant to private transactions to institutional investors that are accredited investors of the type described in Rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) under the Securities Act ("Institutional Accredited Investors"), or to qualified institutional buyers within the meaning of as defined in Rule 144A under the Securities Act, in each case who is also a qualified purchaser as defined in Section 2(a)(51) of the Investment Company Act and the related rules thereunder (a "Qualified Purchaser");

(viii) *Integration*: in the case of each Obligor, it has not offered or sold within the six months preceding any Private Placement, and will not offer or sell within six months following that Private Placement, any security of the same or similar class as the PP Notes issued by it in such Private Placement other than in an offering of PP Notes under circumstances that would not require registration of such securities under the Securities Act;

(ix) *Investment company*: in the case of each Obligor, it is not, and as a result of the offer and sale of any of any PP Notes contemplated herein will not be, an "investment company" under, and as such term is defined in, the Investment Company Act (as such terms are used in the Investment Company Act);

(x) *No Registration under the Securities Act*: in the case of each Obligor, neither it nor any of its Affiliates, nor any person acting on of its or their behalf, has made or will make offers or sales of any securities under circumstances that would require the registration of the offer or sale of any PP Notes under the Securities Act;

(xi) *Limit to Institutional Accredited Investors*: in the case of each Obligor, neither it nor anyone acting on its behalf has offered PP Notes or any similar securities for sale to, or solicited any offer to buy PP Notes or similar securities from, or otherwise approached or negotiated in respect thereof with, any Person other than the Institutional Accredited Investors purchasing PP Notes in the Private Placement and not more than 75 other Institutional Accredited Investors, each of which has been offered the PP Notes at a private sale for investment;

(xii) *Proceeds*: in the case of each Obligor, no part of the proceeds from the sale of any PP Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the U.S. Federal Reserve System, or for the purpose of buying or carrying or trading in any securities under such circumstances as to cause any Obligor to violate Regulation X of said Board or to cause any person to violate any of Regulation T or U of said Board. Margin stock does not constitute more than 10 per cent. of the value of the consolidated assets of each Obligor and its subsidiaries, where applicable, and each Obligor and its subsidiaries, where applicable (as applicable) does not have any present intention that margin stock will constitute more than 10 per cent. of the value of such assets. As used in this paragraph (xii) (*Proceeds*), the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U;

(xiii) *Status under Certain US Statutes*: in the case of each Obligor, it is not subject to regulation under the United States Energy Policy Act of 2005, the United States ICC Termination Act of 1995 or the United States Federal Power Act;

(xiv) *Non-U.S. Employee Benefits*: in the case of each Obligor, all Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by any Obligor or any Subsidiary, where applicable, have been paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect;

(xv) *Proceeds for Specified Purposes*: in the case of each Obligor, in respect of paragraphs (iii) (*Directed Selling Efforts*), (vi) (*General Solicitation and General Advertising/Non-Integration*), and (x) (*No Registration under the Securities Act*) above, where such representations refer to its Affiliates, if a breach of any such representation is as a result of any act or omission or state of affairs which relates to such an Affiliate, then this breach shall not give rise to an Event of Default, but shall not prevent the exercise of any other action, right or remedy (not being an Event of Default) as a result of such a breach;

(xvi) *Foreign Assets Control Regulations, etc.*: in the case of each Obligor, no part of the proceeds from the sale of any PP Notes constitutes or will constitute funds obtained on behalf of any Sanctions Restricted Person or will otherwise be used by it or its Affiliates, directly or indirectly, (a) in connection with any investment in, or any transactions or dealings with, any Sanctions Restricted Person, (b) for any purpose that would cause any Secured Creditor to be in violation of any Sanctions or (c) otherwise in violation of any Sanctions.

Covenants

The CTA contains certain information, general and financial covenants from each of the Obligors. A summary of the covenants which are included in the CTA (subject, in some cases, to agreed exceptions, *de minimis* amounts and qualifications as to materiality and reservations of law) is set out in the sections "*Information Covenants*", "*General Covenants*" and "*Financial Covenants*" below.

Information Covenants

The Transaction Agent or each Obligor in the case of paragraph (viii) below has undertaken to provide, from time to time, certain information including:

(i) *Financial Statements*:

(a) as soon as the same become available, but in any event within 150 days after the end of each of its financial years:

a. consolidated audited financial statements of MidCo for that financial year;

b. audited financial statements of the Issuer for that financial year; and

c. audited financial statements of AWS for that financial year;

(b) as soon as the same become available, but in any event within 90 days after the end of each half of each of its financial years:

a. consolidated financial statements of MidCo for that financial half year;

b. financial statements of the Issuer for that financial year; and

c. financial statements of AWS for that financial half year.

(ii) *Compliance Certificate*: a Compliance Certificate which shall confirm that (a) the content of such Compliance Certificate is accurate in all material respects; and (b) no Trigger Event, Potential Trigger Event, Event of Default or Potential Event of Default has occurred and is continuing and if a Trigger Event, Potential Trigger Event, Event of Default or Potential Event of Default has occurred and is continuing, steps (which shall be set out in full) are being taken to remedy it; and which shall be accompanied by a statement as to what the historical financial ratios calculated as at the then most recently occurring Calculation Date are and a short summary of the manner in which those historical financial ratios have been calculated and will contain a certification of compliance in relation to projected financial ratios: (i) the MidCo Interest Cover Ratio; (ii) the Adjusted MidCo Interest Cover Ratio; (iii) the Adjusted Average MidCo Interest Cover Ratio; (iv) the MidCo RAR; and (v) the OpCo RAR;

(iii) *Investors Report:* an Investors Report in respect of the period comprising each Financial Year;

(iv) *Information – Miscellaneous:*

(a) copies of all material documents despatched by it to its creditors generally other than in the ordinary course of business at the same time as they are despatched to such creditors;

(b) the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the MidCo Group, and which might, if adversely determined, have a Material Adverse Effect;

(c) such further information regarding the financial condition, business and operations of any member of the MidCo Group as any Secured Creditor (through the Security Trustee) may reasonably request (limited to on no more than two occasions in each Financial Year);

(d) (without limiting any of the obligations under paragraph (vi) below (*Notification of Default*)) details of any violation of any Sanctions, as soon as reasonably practicable following such violation;

(e) notification that the Transition Period has expired, as soon as reasonably practicable following the expiry of the Transition Period; and

(f) to the Security Trustee and each Information Covenant Agent (which may be disseminated directly or via the Designated Website) at the same time as it delivers the audited consolidated financial statements in accordance with Paragraph (i)(a) (*Financial Statements*) of the CTA, OpCo's annual performance report (which may include any applicable sustainability reports from

time to time) for the same financial year to which such audited consolidated financial statements relate. The financial and non-financial information contained within the annual performance report will be subject to review on a risk assessed basis by qualified external parties;

(v) *Regulatory Information*: all material certificates and responses provided by OpCo or any other OpCo Obligor to any industry regulator (including Ofwat) and the Environment Agency, to the extent such information could reasonably be expected to be material to the interests of the Secured Creditors, at the same time as such certificates or responses are provided to the regulatory body;

(vi) *Notification of Default*: notification of any Default or Potential Trigger Event (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence;

(vii) *Notification of Restricted Period*: notification of the commencement of any Restricted Period and within 20 Business Days of the date of commencement of such Restricted Period and on the date of delivery of each Compliance Certificate thereafter, provide to the Security Trustee details of the causes and effects of the restriction, the planned remedial action and the timetable for implementation of such remedial action;

(viii) *Amendments to the Note Documents*: notification of any material amendment to any of the Finance Documents entered into in connection with the Notes, unless such information is otherwise notified to the public generally including in any Regulatory News Service announcements;

(ix) *Use of Websites*: any information required to be delivered to a Secured Creditor under the CTA to a Secured Creditor in electronic form or by way of posting such information to the Designated Website; and

(x) *Notification of any Trigger Event*: notification of any Trigger Event promptly upon becoming aware of the occurrence of such event.

(xi) *AWS Information*: So far as permitted by any applicable law or any binding confidentiality obligations, the Transaction Agent shall supply to the Security Trustee as soon as reasonably practicable, any material notice (including an enforcement notice) from any governmental authority or industry regulator (including Ofwat) received by AWS; and

(xii) *Non-compliance with Law*: The Transaction Agent shall supply to the Security Trustee as soon as reasonably practicable upon becoming aware of such event, details of any non-compliance with any law or regulation by any Obligor which would be reasonably likely to have a Material Adverse Effect.

The CTA also contains the following provisions in relation to the information covenants:

(A) *Form of Financial Statements*: The Transaction Agent shall ensure that each set of Financial Statements supplied by it is prepared in accordance with the Applicable Accounting Principles and includes a balance sheet, profit and loss account and cashflow statement and, in the case of audited Financial Statements, gives a true and fair view of, or, in the case of unaudited Financial Statements, fairly represents, its financial condition (consolidated or otherwise) as at the date to which those Financial Statements were drawn up and of the results of its operations during such period. The Transaction Agent must notify the Security Trustee of any material change to the basis on which its audited financial statements are prepared; and

(B) *Auditors' Revie*w: If at any time there appears to be, in the opinion of the Security Trustee (acting in accordance with the STID and on the instructions of the Majority Creditors), a material discrepancy, inconsistency or error in any of the financial information provided to the Security Trustee or the Information Covenant Agents by any Obligor, such Obligor shall if reasonably required by the Security Trustee (acting in accordance with the STID and on the instructions of the Majority Creditors), at such

company's cost, promptly arrange for the Auditors, or if the Auditors are unable or unwilling to provide the services, independent accountants (approved by the Transaction Agent or, in the absence of such approval within five days of request by the Security Trustee of such approval, a firm with recognised expertise) selected by the Security Trustee (acting in accordance with the STID and on the instructions of the Majority Creditors) (for the purpose of this Paragraph (B) (*Auditors' Review*), the "**Independent Accountants**") to perform agreed procedures in connection with the alleged discrepancy, inconsistency or error in relation to such financial information reviewed by the Auditors or Independent Accountants (as the case may be) and a copy of the Auditors' or Independent Accountants' (as the case may be) report must be delivered to the Security Trustee and each of the Information Covenant Agents. Prior to the occurrence of a Potential Trigger Event or Trigger Event, the Security Trustee (acting in accordance with the STID and on the instructions of the Majority Creditors) will not be entitled to request the review by the Auditors or Independent Accountants (as the case may be) of the information provided to it by an Obligor at the cost of that Obligor on more than two occasions in any calendar year.

General Covenants

The Obligors have undertaken, among other things, that:

(i) *Restricted Business:*

a. no Obligor shall (and MidCo shall procure that no member of the Controlled Group shall) trade, carry on any business, own any assets or incur any liabilities, other than:

i. in relation to any Obligors, the incurrence of Permitted Financial Indebtedness and any business ancillary thereto;

ii. in relation to any member of the Controlled Group, (other than the Obligors), the incurrence of liabilities in respect of: (1) inter-company loans between members of the Controlled Group (2) any trade credit extended on normal and customary commercial terms and in the ordinary course of such trading activities, provided that it is repayable within 90 days; and/or (3) any Permitted Guarantee or any guarantees or indemnities customarily granted in commercial contracts in respect of business of the type carried out by the Controlled Group as at the Closing Date;

iii. any business connected with the ownership of shares in the members of the Wider Group, including but not limited to down-streaming of cash, share capital reductions and payments of dividends and operating costs and expenses, in each case to the extent permitted by the Finance Documents, maintaining intra-group debit balances, intra-group credit balances and other credit balances in bank accounts, holding Cash and Authorised Investments;

iv. the provision of administrative services (excluding treasury services) to other members of the Wider Group of a type customarily provided by a Holding Company to its Subsidiaries;

v. in respect of the Controlled Group, trading, carrying on any business, owning or acquiring any assets (excluding the acquisition of shares in any entity which is not a member of the Controlled Group as at the Closing Date), maintaining any assets or incurring any liabilities in the ordinary course of business, provided that from the Closing Date, MidCo shall procure that: (A) no Intermediate Subsidiary may carry out any business of a nature not carried out prior to the Closing Date; and (B) subject to (A), no existing business activity of any member of the Controlled Group (excluding MidCo and the Issuer) is materially expanded and that no material investment is made in any member of the Controlled Group (excluding MidCo and the Issuer), other than to the extent required to (1) provide funding and/or resources to OpCo and/or (2) to enable members of the MidCo Group to pay dividends/distributions;

vi. the incurrence of any liabilities under the Finance Documents to which it is a party or as otherwise permitted under the Finance Documents;

vii. the incurrence of professional fees and administration costs in the ordinary course of business as a holding company;

viii. as otherwise permitted under the Finance Documents (including any Permitted Transaction); and

ix. tax liabilities imposed upon it or on its assets;

b. in the case of the Obligors only, shall not suspend, abandon or cease to carry on their respective business;

c. in the case of Intermediate Subsidiaries only, shall not suspend, abandon or cease to carry on their respective businesses, other than pursuant to a Permitted Transaction; or

d. no Obligor shall (and MidCo shall procure that no member of the Controlled Group shall) take any steps to enforce any claims it may have against any other Obligor without the prior written consent of the Security Trustee, acting in accordance with the STID;

(ii) *Authorisations:* each Obligor shall (and MidCo shall ensure that each member of the Controlled Group will) promptly obtain, comply with and do all that is necessary to maintain in full force and effect any authorisation required under any law or regulation of a relevant jurisdiction to (a) enable it to perform its obligations under the Finance Documents to which it is a party; (b) ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document to which it is respectively a party; and (c) enable it to own its assets and to carry on its business, trade and ordinary activities as currently conducted in each case, where failure to obtain or comply with those authorisations has, or is reasonably likely to have, a Material Adverse Effect;

(iii) *Priority Ranking*: each Obligor shall ensure that the claims of Secured Creditors against it under the Finance Documents will rank (subject to the Legal Reservations) to the extent that they are secured pursuant to a Security Document, prior to the claims of all its other unsecured and unsubordinated creditors save for those whose claims are preferred solely by law;

(iv) *Negative Pledge*: no Obligor shall (and MidCo shall ensure that no other member of the Controlled Group shall) create or allow to exist any Security Interest on any of its present or future revenues or assets other than Permitted Security Interests;

(v) *Disposals*: no Obligor shall (and MidCo shall ensure that no other member of the Controlled Group shall) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to dispose of any of its (direct or indirect) interests in AWS where such disposal results in the MidCo Group ceasing to hold beneficially all of the issued share capital of AWS;

(vi) *Financial Indebtedness*: no Obligor shall incur any Financial Indebtedness other than Permitted Financial Indebtedness;

(vii) *Merger*: no Obligor shall enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than a Permitted Transaction;

(viii) *Acquisitions*: no Obligor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to acquire any assets, if such acquisition would negatively impact the then ratings of the Notes and/or, taking into account such acquisition, result in the ratio of MidCo RAR exceeding 0.85:1. No Obligor shall be entitled to acquire any shares in any person, except in any acquisition pursuant to (i) a Permitted Transaction; (ii) any acquisition of shares by MidCo in any

entity which is a member of the Controlled Group as at the Closing Date; or (iii) any acquisition of Authorised Investments in the form of shares;

(ix) *Loans and Credit*: no Obligor shall be a creditor in respect of any Financial Indebtedness, other than in respect of any Permitted Loan or Permitted Transaction or Permitted Guarantee;

(x) *Cash Management*: each Obligor shall comply with its applicable cash management obligations set out in Schedule 6 of the CTA;

(xi) *Hedging*: no member of the Controlled Group (other than MidCo and/or the Issuer) shall enter into any Treasury Transaction other than: (i) in respect of MidCo and/or the Issuer, Hedging Agreements in accordance with the Hedging Policy; or (ii) Treasury Transactions entered into between members of the Controlled Group;

(xii) *Arm's Length Transactions*: no Obligor shall enter into any material arrangement or contract with any person other than another member of the MidCo Group otherwise than on a materially arm's length basis other than (i) any Permitted Transaction; (ii) as expressly permitted under the Common Documents; (iii) as disclosed to the relevant Regulator and not subject to an objection from such Regulator; (iv) any business as usual contracts or arrangements in place as at the Closing Date (and any replacement contracts or arrangements) including in respect of IT services; or (v) as expressly disclosed to the Security Trustee prior to the Closing Date;

(xiii) *Accounts*: MidCo shall procure that no member of the MidCo Group changes its Financial Year end without the prior written consent of the Security Trustee in accordance with the STID, such consent not to be unreasonably refused and not to be refused if the Regulator requires OpCo's Financial Year to be changed, in which case MidCo agrees to amend the financial covenant calculations in respect of the financial ratios specified in the CTA in such manner as is necessary to enable such calculations to continue to be calculated from the relevant Financial Statements;

(xiv) *Further Assurance*: each Obligor must so far as permitted by applicable law and regulatory requirements, execute all such further documents (including assignments, transfers, mortgages, charges, notices and instructions) and do all such further acts and things as (i) may be required to perfect the Security created or intended to be created under or evidenced by the Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Trustee provided by or pursuant to the Finance Documents or by law; (ii) may be required to confer on the Security Trustee Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Security Documents; (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security; and (iv) the Security Trustee (acting reasonably, in accordance with the STID and in consultation with the Obligors and their advisers) may consider to be necessary at any time to give effect to the terms of the relevant Finance Documents;

(xv) *Bank Accounts*: each Obligor shall ensure that, each bank account opened in its name shall be opened and maintained with an Account Bank in accordance with the terms of the Account Bank Agreement and is subject to valid security under the Security Documents;

(xvi) *Restricted Payments*: no Obligor shall (and MidCo shall procure that no member of the Controlled Group) make a Restricted Payment unless the following conditions are satisfied: (i) any Restricted Payment so made, must be made within 90 days of the delivery of a Compliance Certificate showing that MidCo is in compliance with the ratios set out in such Compliance Certificate; (ii) no "Event of Default" (as defined in the OpCo MDA) is continuing; (iii) the MidCo-only Director and the Independent

Director both certify to the Security Trustee that (1) a unanimous meeting of the directors of MidCo has approved such Restricted Payment and (2) (i) based on MidCo's reasonably considered projections of the Adjusted MidCo Interest Cover Ratio, the Adjusted Average MidCo Interest Cover Ratio and the MidCo Interest Cover Ratio for the Relevant RP Period; (ii) taking account of the likelihood of a Trigger Event occurring in the next 12 month period; (iii) taking account of the adequacy of financial resources available to MidCo (taking into account the impact of the Restricted Payment), it is not unreasonable to make such Restricted Payment; (iv) no Event of Default or Potential Event of Default is subsisting or would arise as a result of making the Restricted Payment; (v) no "Trigger Event" (as defined in the OpCo MDA) has been subsisting for more than 12 months prior to the date of such proposed Restricted Payment; (vi) no Trigger Event is subsisting or would arise as a result of making the Restricted Payment; and (vii) the MidCo RAR as at the date of such Restricted Payment (taking account of the making of such Restricted Payment) is 0.85:1 or less;

(xvii) *Pensions*: each Obligor shall ensure that, to the extent that such Pension Schemes are for the benefit of directors, officers or employees of the Obligors or other members of the MidCo Group, the Pension Schemes are fully funded as required by applicable local law and regulation save as otherwise agreed with the pension trustees or, to the extent that the Obligors and the pension trustees are unable to reach agreement, as imposed by the Pensions Regulator; no Obligor (and MidCo shall ensure that no member of the Controlled Group) is or has been at any time an employer (for the purposes of Sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993) other than the Pension Schemes, and that there are no facts or circumstances which might reasonably be expected to give rise to the Pensions Regulator issuing a Contribution Notice or Financial Support Direction to any Obligor (or member of the Controlled Group) in respect of such scheme; MidCo shall promptly notify the Security Trustee of any material change in the rate of contributions to any Pensions Scheme for the benefit of directors, officers or employees of a member of the Controlled Group paid or recommended to be paid (whether by the scheme actuary or otherwise) or required by law or otherwise which has, or could reasonably be expected to have, a Material Adverse Effect; Each Obligor shall, upon becoming aware, immediately notify the Security Trustee of any investigation or proposed investigation by the Pensions Regulator which may lead to the issue of a Financial Support Direction or a Contribution Notice to any Non-Regulated Subsidiary; Each Obligor shall immediately notify the Security Trustee if it receives a Financial Support Direction or a Contribution Notice from the Pensions Regulator which has, or could reasonably be expected to have, a Material Adverse Effect.

(xviii) *Independent Director*: at no time shall any director of any Obligor be a Sponsor Director and at all times, at least one director of MidCo shall be an Independent Director and at least one director of MidCo will be a MidCo-only Director. The MidCo-only Director and the Independent Director shall not be the same person. Persons who are not MidCo-only Directors or Independent Directors will not constitute a majority of the board of MidCo;

(xix) *Maturity Concentration Limits*: each Obligor shall ensure that no more than 50 per cent. of Relevant Debt matures in any two-year rolling period unless:

(a) the ratio of such Relevant Debt (maturing in such two-year period) to Net Cash Flow is less than 1.0x (to the extent that such ratio exceeds 1.0x, the principal amount of such excess of Relevant Debt is the "**Excess Principal Amount**"); or

(b) the aggregate of:

(A) amounts standing to the credit of the Debt Service Reserve Account; and

(B) available but undrawn commitments under the RCF Facilities (or any additional or subsequent facility agreement on similar terms, subject to market, legal and regulatory changes),

is at least equal to the Excess Principal Amount;

(xx) *Taxation*: each Obligor shall duly and punctually discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that (i) such payment is being contested in good faith; (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements; and (iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or could not reasonably be expected to have a Material Adverse Effect;

(xxi) *Incurrence of Class B Debt by AWS*: each Obligor shall ensure that no OpCo Obligor shall incur any further Class B Debt (as defined in the OpCo MDA);

(xxii) *Amendments*: no Obligor shall amend, vary, novate, supplement, supersede, waive or terminate any term of: (i) its constitutional documents; (ii) any Issuer/MidCo Loan Agreement; (iii) the terms of any Subordinated Debt made available to that Obligor by any Subordinated Creditor; or (iv) any Outsourcing Agreement, except in each case in writing and in a way which could not be reasonably likely to have a Material Adverse Effect;

(xxiii) *No amendments to OpCo financings*: MidCo shall procure that no OpCo Obligor shall agree to any amendment to the OpCo Common Terms Agreement or the OpCo MDA which: (i) restricts, or has the effect of restricting, the ability of the OpCo Group to make Distributions (as defined in the OpCo MDA) in a manner that is materially more restrictive than the test for "Restricted Payments" (as set out in the OpCo MDA) as at the date hereof; or (ii) includes, or has the effect of including, additional Trigger Events (as defined in the OpCo MDA) which could reasonably be expected to materially affect the current or future ability of AWS or AWSH to make any Distribution (as defined in the OpCo MDA), provided that, for these purposes, the provisions of the OpCo Deed Poll shall be disregarded for the purposes of this undertaking;

(xxiv) *PSC regime*: each Obligor must: (i) comply on time with any notice it receives under section 790D or 790E of the Companies Act 2006; and (ii) promptly notify the Security Trustee if it receives a warning notice or restrictions notice under schedule 1B of the Companies Act 2006, in each case, in relation to any shares subject to any Security Interest created by it under any Security Document;

(xxv) *Sanctions*: no Obligor shall (and the MidCo shall ensure that no member of the MidCo Group will):

i. contribute or otherwise make available all or any part of the proceeds of the Authorised Credit Facility, directly or indirectly to, or for the benefit of, any Sanctions Restricted Person, or in any manner which would result in any person or entity (whether or not related to any member of the MidCo Group) including any Secured Creditor or any member of the MidCo Group, being in breach of any Sanctions;

ii. knowingly directly or indirectly fund all or part of any payment under any Finance Document out of proceeds derived from any person, action or status which is prohibited by, or would itself cause any Secured Creditor or member of the MidCo Group to be in breach of, any Sanctions;

iii. knowingly directly or indirectly lend, contribute, provide or otherwise make available the proceeds from any loan under the Finance Documents to fund any activity or business in any Sanctioned Country, or in any manner which would itself cause any Secured Creditor or a member of the MidCo Group to be in breach of any Sanctions;

iv. knowingly permit any Sanctions Restricted Person to have any direct or indirect interest in any member of the MidCo Group to the extent that such interest would cause any Secured Creditor or member of the MidCo Group to be in breach of any Sanctions;

v. knowingly engage in any transaction, activity or conduct that violates any Sanctions or that could reasonably be expected to result in it or any other member of the MidCo Group or any Secured Creditor being designated as a Sanctions Restricted Person;

vi. knowingly engage in any transaction that violates any Sanctions; or

vii. become a Sanctions Restricted Person,

and each Obligor shall ensure that appropriate controls and safeguards are in place designed to prevent any action being taken that would be contrary to the above. None of this paragraph (xxv) shall apply to or in favour of any person if and to the extent that it would result in a breach, by or in respect of that person, of any applicable Blocking Regulation;

(xxvi) *Anti-layering*: no Obligor shall, and MidCo shall procure that no other member of the MidCo Group will (a) incorporate a Subsidiary which is intended to be primarily engaged in raising Financial Indebtedness; or (b) direct an existing Subsidiary to raise Financial Indebtedness (each being a "**New Structurally Senior Financing**"), if as a result of the New Structurally Senior Financing, the debt obligations of any Obligor would become structurally subordinated to the debt obligations of the New Structurally Senior Financing. These restrictions shall not apply to:

i. any arrangement entered into by any member of the AWS Financing Group (as defined in the OpCo CTA);

ii. any Permitted Financial Indebtedness or Financial Indebtedness incurred by any Non-Regulated Subsidiary prior to the Closing Date; and

iii. any financial indebtedness howsoever incurred, provided that any such indebtedness does not exceed £5 million (or its equivalent in other currencies) at any time.

(xxvii) *Funnelling*: any Financial Indebtedness or accommodation provided by any Shareholder to any member of the MidCo Group must be paid to PledgeCo in the first instance and then on-lent to MidCo, and subsequently on-lent by MidCo to the relevant member of the MidCo Group (to the extent applicable);

(xxviii) *Compliance with laws*: each Obligor shall (and MidCo shall procure that each member of the MidCo Group will) comply in all respects with all laws to which it may be subject, if failure so to comply, has or is reasonably likely to have a Material Adverse Effect;

(xxix) *Credit Rating:* Where any Notes are issued pursuant to the Programme following the Closing Date, for so long as such Notes are outstanding, the Issuer shall use reasonable endeavours to maintain a solicited credit rating in respect of such Notes from an internationally recognised credit rating agency;

(xxx) *Group structure*: Save as permitted under the Finance Documents (including pursuant to any Permitted Transaction), the Obligors shall ensure that:

i. PledgeCo shall own, directly, 100 per cent. of the legal and beneficial interest in the issued share capital of MidCo;

ii. MidCo shall own, directly, 100 per cent. of the legal and beneficial interest in the issued share capital of Issuer;

iii. MidCo shall own, directly, 100 per cent. of the legal and beneficial interest in the issued share capital of AWG Parent Co Limited;

iv. AWG Parent Co Limited shall own, directly, 100 per cent. of the legal and beneficial interest in the issued share capital of AWG (UK) Holdings Limited;

v. AWG (UK) Holdings Limited shall own, directly, 100 per cent. of the legal and beneficial interest in the issued share capital of AWG Group Limited; and

vi. AWG Group Limited shall own, directly, 100 per cent. of the legal and beneficial interest in the issued share capital of Anglian Water Services Holdings Limited.

(xxxi) *Share capital*: no Obligor may (i) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so; (ii) issue any shares which by their terms are redeemable or convertible or exchangeable for Financial Indebtedness; or (iii) issue any share capital to any person. These restrictions do not apply to (i) any such action which is in furtherance of a Restricted Payment, where the amount of the Restricted Payment is permitted to be paid pursuant to the Finance Documents, (ii) any transaction expressly allowed under the Finance Documents or (iii) any transaction which has received the prior written consent of the Security Trustee.

Financial Covenants

MidCo has undertaken, among other things:

(i) *Forecasts and Financial Testing*:

i. that it shall deliver, with each Compliance Certificate and each Investors Report, a statement confirming that it has calculated each of the ratios listed below as at the Calculation Date immediately prior to the date of delivery of that Compliance Certificate or Investors Report, specifying the results of such calculations and providing a copy of the computations made in respect of the calculation of such ratios;

ii. the ratios shall be calculated in accordance with the Applicable Accounting Principles and (in the case of historical ratios) using the audited consolidated financial statements (or unaudited financial statements if audited financial statements are not available on such date) and unaudited half-yearly financial statements delivered together with the relevant Compliance Certificate or Investors Report, and (in the case of forward looking ratios) using reasonable assumptions taking into account AWS's business plan(s) which shall be prepared on a consistent basis and the material assumptions to which shall be updated by reference to the most recently available relevant information and the most recently delivered financial statements. No item shall be taken into account more than once in the calculation of any financial covenant as set out in the CTA;

(ii) *Financial Covenants*: MidCo shall calculate (or procure the calculation of) as at each Calculation Date:

i. the MidCo Interest Cover Ratio for each Relevant Period;

ii. the Adjusted MidCo Interest Cover Ratio for each Relevant Period;

iii. the Adjusted Average MidCo Interest Cover Ratio;

iv. the MidCo RAR for each Relevant Period; and

v. the OpCo RAR for each Relevant Period.

Trigger Events

The CTA sets out certain Trigger Events which will include (subject to agreed exceptions, materiality qualifications, grace periods and remedies and as more particularly provided in the CTA) the occurrence of any of the following events:

(i) *Financial Ratios*:

On any Calculation Date, in respect of a relevant level specified below (each a "**Trigger Event Ratio Level**") if:

(a) the Adjusted MidCo Interest Cover Ratio for any Relevant Period is or is estimated to be less than 1.1:1;

(b) the Adjusted Average MidCo Interest Cover Ratio is or is estimated to be less than 1.2:1;

(c) the MidCo RAR for any Relevant Period is or is estimated to be more than 0.85:1; and

(d) the OpCo RAR for any Relevant Period is estimated to be more than 0.75:1.

(ii) *Required Balances*:

a. if, at any time the sum of:

(a) the amount (including Authorised Investments) standing to the credit of the Debt Service Reserve Account; and

(b) available but undrawn commitments under the RCF Facilities (or any additional or subsequent Permitted Financial Indebtedness on similar terms, subject to market, legal and regulatory changes),

is less than the Required Balance (18 Months).

b. if, at any time the amount (including Authorised Investments) standing to the credit of the Debt Service Reserve Account is less than an amount equal to the Required Balance (6 Months).

c. it will not be a Trigger Event if this paragraph (ii) is triggered as a direct result of a banking error and remedied by the relevant shortfall amount being added within three Business Days;

(iii) *Event of Default*: without prejudice to the other remedies in respect thereof and subject to the expiry of any applicable grace or remedy period, the occurrence of an Event of Default which is continuing;

(iv) *Audit Qualification*: the Auditors formally qualify their report (rather than include it in matters of emphasis or other equivalent statements) on any audited Statutory Accounts of any Obligor or AWS in any manner as a result of which the financial ratios calculated in accordance with the CTA may not reflect the true position of that Obligor or AWS (as applicable) in a manner which would have a Material Adverse Effect;

(v) *Adverse Governmental Legislation*: the commencement of the final reading in the House of Lords or the House of Commons (whichever occurs later) of adverse draft governmental legislation or similar instrument relating to or impacting upon OpCo if such legislation would (if enacted) have a Material Adverse Effect;

(vi) *Modification or Replacement of OpCo Instrument of Appointment*: if within six months of an announcement setting out clear proposals (including a related timetable to effect such proposals) by the Regulator for the modifications or replacement of the Instrument of Appointment which, if implemented, would have a Material Adverse Effect on OpCo and OpCo has not certified that the proposed

modification or replacement is not expected to be implemented or is expected to be implemented in a form which is not reasonably expected to have a Material Adverse Effect;

(vii) *Enforcement Order*: an Enforcement Order is issued under Part 2, Chapter II of the WIA against AWS which would have a Material Adverse Effect if not complied with and AWS is not in the process of taking reasonable steps to comply with such Enforcement Order; and

(viii) *Circumstances leading to a Special Administration Order*: any indication arising from notices and/or correspondence issued by, or during correspondence with, Ofwat or any other circumstance of which AWS is aware that would reasonably be expected to lead to an application by Ofwat or the Secretary of State for a Special Administration Order to be made in respect of AWS;

Trigger Event Consequences

Following the occurrence of a Trigger Event and at any time until such Trigger Event has been waived by the Security Trustee, remedied in accordance with the CTA or otherwise remedied to the satisfaction of the Security Trustee, certain consequences will apply, including:

(i) *No Restricted Payments*: no Obligor may make Restricted Payments;

(ii) *Further Information and Remedial Plan*: if the Trigger Event is continuing for at least two consecutive Calculation Dates:

i. the Transaction Agent must provide such information as to the relevant Trigger Event as may be reasonably requested by the Security Trustee; and

ii. as soon as reasonably practicable, the Transaction Agent must discuss with the Security Trustee (at a mutually convenient time) its plans for remedial action and the timetable for implementation of such remedial action. The Transaction Agent and the Security Trustee shall negotiate in good faith to agree a Remedial Plan (with the agreement of the Security Trustee not to be unreasonably withheld or delayed and acting on the instructions of the Secured Creditors in accordance with the STID) and any Remedial Plan must then be implemented by the Transaction Agent or any other relevant Obligor.

(iii) *Independent Review*: in respect of any Trigger Event other than a Trigger Event Ratio Level, if the Trigger Event is continuing for at least three consecutive Calculation Dates; and in respect of a Trigger Event Ratio Level that is continuing for two consecutive Calculation Dates:

i. the Security Trustee may (acting on the instructions of the Majority Creditors) commission an Independent Review to be undertaken on a timetable stipulated by the Security Trustee. The Independent Review will be conducted by technical advisers to the Security Trustee appointed from time to time or such other person as the Security Trustee may decide, in each case, subject to prior consultation with the Transaction Agent;

ii. the Independent Review will examine the causes of the Trigger Event and recommend appropriate corrective measures (such corrective measures, once carried out, constituting the relevant Trigger Event Remedies set out in the CTA); and

iii. each Obligor must (so far as permitted by any applicable law and regulation, any binding confidentiality obligations entered into in good faith for bona fide Trigger Event Remedies commercial reasons and the retention of legal privilege) co-operate with the person appointed to prepare the Independent Review, including providing access to the MidCo Group's books and records and personnel and facilities as may be reasonably required for those purposes,

(the "**Trigger Event Consequences**").

In respect of any of the Trigger Event Consequences described above which requires the Security Trustee to exercise its discretion, it must do so upon instructions of the Majority Creditors and any reference to reasonableness and reasonable time will be interpreted accordingly. The Security Trustee is entitled to assume that no Trigger Event has occurred unless informed in writing otherwise.

Trigger Event Remedies

At any time when the Transaction Agent believes that a Trigger Event has been remedied, as described below, it must serve notice on the Security Trustee to that effect, and the Security Trustee must respond within 10 Business Days (or such longer period as it may reasonably agree with the Transaction Agent) confirming that (i) the relevant Trigger Event has, in its reasonable opinion, been remedied or setting out its reasons for believing that such Trigger Event has not been remedied (in which case, such event will continue to be a Trigger Event until such time as the Security Trustee, acting in accordance with the STID, is reasonably satisfied that the Trigger Event has been remedied) or (ii) it cannot determine whether the Trigger Event has been remedied.

To the extent that the Transaction Agent does not receive a response from the Security Trustee within 10 Business Days, the relevant Trigger Event shall be deemed to be remedied. If the Security Trustee cannot determine whether a Trigger Event has been remedied, it shall take such appropriate advice (at the expense of the Obligors) as is required in order for it to reach a determination.

Events of Default

The CTA contains a number of events of default (the "**Events of Default**") which are Events of Default under each Finance Document (other than the Hedging Agreements). Subject, in some cases and where not otherwise stated below, to agreed exceptions, materiality thresholds and qualifications, the Legal Reservations, grace periods and remedies, Events of Default include:

(i) *Non-payment*: non-payment by any Obligor of amounts payable under the Finance Documents;

(ii) *Breach of Other Obligations*: any Obligor does not comply with (i) any term of Paragraph 16 (*Restricted Payments*) of Part 2 (*General Covenants*) of Schedule 2 (*Covenants*) of the CTA or (ii) any other term of the Finance Documents not already referred to in this paragraph (ii);

(iii) *Misrepresentation*: A representation made or repeated by any Obligor in any Finance Document or in any document delivered by or on behalf of any Obligor under or in connection with any Finance Document is incorrect or misleading in any material respect when made or deemed to be made, unless the circumstances giving rise to the misrepresentation are (i) capable of remedy, and (ii) are remedied within 20 Business Days of the earlier of the Security Trustee giving notice and the relevant Obligor becoming aware that the representation was incorrect or misleading;

(iv) *Insolvency*: an Insolvency Event or Insolvency Proceedings as set out further in the CTA occur(s) in relation to any Obligor, save for such proceedings which are taken for the purpose of and followed by a solvent reorganisation, liquidation or merger;

(v) *Creditors' Process*: any expropriation, attachment, sequestration, distress, execution or analogous event or process involving sums in excess of the greater of (a) 0.1 per cent. of RAV or (b) £500,000 (indexed) (or its Equivalent Amount) that affects any asset(s) of any member of the MidCo Group and is not discharged within 15 Business Days;

(vi) *Unlawfulness*: (a) it is or it becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or any Security created or expressed to be created or evidenced by the Security Documents ceases to be effective or any subordination created under the STID is or becomes unlawful; (b) subject to the Legal Reservations, any of its obligations under the Finance Documents ceasing to be legal, valid, binding or enforceable and the cessation individually or cumulatively has a Material Adverse

Effect; or (c) any Finance Document ceases to be in full force and effect or any Security or any subordination created under the STID ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Secured Creditor) to be ineffective;

(vii) *Repudiation*: an Obligor (or any other relevant party) rescinds or purports to rescind or repudiate or purports to repudiate a Finance Document or any of the Security or evidences an intention to repudiate a Finance Document or any Security;

(viii) *STID and Legacy Intercreditor Agreement:* non-compliance by an Obligor with certain other obligations under the Finance Documents, or any representation made by any party to the STID or, during the Transition Period, any party to the Legacy Intercreditor Agreement (other than a Secured Creditor or an Obligor) is incorrect in any material respect;

(ix) *Nationalisation*: the authority or ability of any member of the MidCo Group to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any Governmental Agency in relation to the MidCo Group or any of its assets where such action has a Material Adverse Effect;

(x) *Breach of Financial Covenants (Events of Default)*: the MidCo Interest Cover Ratio for any Relevant Period is less than 2.00:1.00 or the MidCo RAR for any Relevant Period is greater than 0.95:1.00, subject to an equity cure being validly applied;

(xi) *Material Proceedings*: any litigation is started against any Obligor or, in each case, its assets or revenues which, in any such case would be reasonably likely to be adversely determined and which, if so adversely determined, would have a Material Adverse Effect;

(xii) *Failure to Comply with Judgement*: any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Obligor having an aggregate value of £10,000,000 and is not discharged within 30 days;

(xiii) *Application by the Secretary of State or Board of Ofwat*: the Secretary of State or the Board of Ofwat makes an application for an order of the High Court directing that OpCo's business be managed by a person appointed by the High Court because OpCo has materially breached any principal duty or any enforcement order, is insolvent or the Secretary of State determines that OpCo should be liquidated;

(xiv) *Audit Qualification*: the Auditors qualify the audited annual consolidated financial statements of MidCo and such qualification is in respect of matters which have, or could reasonably be expected to have, a Material Adverse Effect;

(xv) *Pensions*: the Pensions Regulator issues a Financial Support Direction or a Contribution Notice to any member of the MidCo Group which has or could reasonably be expected to have a Material Adverse Effect;

(xvi) *Loss of Licence*: the Instrument of Appointment is terminated, revoked or rescinded and is not replaced on materially similar terms, or any member of the MidCo Group receives notice that the Instrument of Appointment will be wholly or partially terminated, revoked or rescinded in a manner which has or could reasonably be expected to have a Material Adverse Effect (for the avoidance of doubt, this shall not apply to any partial termination in connection with paragraph (e) of the definition of "Permitted Transaction";

(xvii) *Changes to Licence*: the Instrument of Appointment is amended, varied, supplemented or otherwise altered in a manner which has or could reasonably be expected to have a Material Adverse Effect; and

(xviii) *OpCo Event of Default*: the occurrence of an OpCo Event of Default which is continuing.

Cash Management

The CTA contains provisions relating to cash management, including:

(i) *Group Accounts*: each Obligor may only open and maintain bank accounts with an Account Bank and each Obligor shall ensure that all Accounts are the subject of the Security. The Issuer shall open and maintain a Debt Service Reserve Account, and (if required) MidCo shall open and maintain an Equity Cure Account, with an Account Bank in accordance with the terms of the Account Bank Agreement;

(ii) *Cash Manager*: provided no Standstill Period is continuing, MidCo shall act as the Cash Manager with responsibility for managing the cash and payments of the Obligors;

(iii) *Debt Service Reserve Account*: permitted transfers to and withdrawals from the Debt Service Reserve Account;

(iv) *Equity Cure Account*: permitted transfers to and withdrawals from the Equity Cure Account;

Each of the above accounts together with any other bank account of any Obligor are collectively referred to as the "**Accounts**". Each of the Accounts will be held with the Account Bank pursuant to the Account Bank Agreement;

(v) *Payment Priorities*: the "**Payment Priorities**" are as follows:

i. *First*, in or towards satisfaction of the remuneration, costs and expenses of and any other amounts due and payable to the Security Trustee, any Security Trustee Appointee, the Note Trustee and any Note Trustee Appointee under any Finance Document;

ii. *Second*, in or towards the satisfaction of (i) the remuneration, costs and expenses of (a) each MidCo Agent under the Agency Agreement, (b) each Account Bank under the Account Bank Agreements, (c) each Authorised Credit Facility Agent and the Standstill Cash Manager, and (d) each Secured Creditor Representative; (ii) any administration or similar costs, fees or expenses in respect of maintaining (a) the corporate existence of each member of the Controlled Group (including compliance with any filing or similar obligations required by law), (b) the rating of the Notes (or any rating of the Existing Notes (as defined in the MDA)), (c) any payments due and payable by an Obligor pursuant to: (1) any costs or expenses indemnity contained in the Finance Documents that are expressed to be in favour of the Finance Parties; and/or (2) contingent fees that may become due and payable to the Finance Parties in accordance with the Finance Documents; and/or (3) any tax for which an Obligor may be liable, and (d) any auditors fees due and payable by any member of the Controlled Group;

iii. *Third*, in or towards satisfaction of (i) all amounts of interest, recurring fees and commitment commissions due or overdue in respect of the Secured Debt (not otherwise covered elsewhere in this clause); (ii) all scheduled amounts due and payable to each Hedge Counterparty under any Interest Rate Hedging Agreement (other than amounts falling in paragraph *vii* below); (iii) all scheduled amounts (other than principal exchange amounts or other amounts in respect of principal) due and payable to each Hedge Counterparty under any Currency Hedging Agreement in respect of Secured Debt; (iv) all amounts of underwriting commissions due or overdue in respect of Secured Debt; and (v) any amounts due or overdue in respect of any swap breakage amounts due under each PP Note Documents and any amounts due or overdue pursuant to a PP Note Swap Indemnity Letter;

iv. *Fourth*, in or towards satisfaction of (i) all amounts of principal due or overdue in respect of Secured Debt (not otherwise covered elsewhere in this clause; (ii) any unscheduled amounts (including termination amounts) due and payable to each Hedge Counterparty under any Interest

Rate Hedging Agreement except to the extent required to be paid at paragraph *vii* below); (iii) all principal exchange amounts due and payable to each Hedge Counterparty under any Currency Hedging Agreement in respect of Secured Debt; and (iv) any termination amounts or other unscheduled sums due and payable to each Hedge Counterparty under any Currency Hedging Agreement in respect of Secured Debt (except to the extent required to be paid at paragraph *vii* below);

v. *Fifth*, in or towards satisfaction of any Make-Whole Amount due and payable on the Secured Debt;

vi. *Sixth*, in payment to the Debt Service Reserve Account until the aggregate of the amounts available for drawing under the RCF Facility and any amount standing to the credit of the Debt Service Reserve Account (including the value of any Authorised Investments funded from such amounts) is at least equal to the Required Balance (6 Months) on each Payment Date;

vii. *Seventh*, in or towards satisfaction of any termination payment due or overdue to an Hedge Counterparty under any Hedging Agreement which arises as a result of an Event of Default (as defined in the relevant Hedging Agreement) by such Hedge Counterparty, other than any amount attributable to any premium or other upfront payment paid to the Issuer to enter into a transaction to replace a Hedging Agreement (in whole or in part) which shall be applied first in payment of amounts due to the replacement Hedge Counterparty as applicable;

viii. *Eighth*, in or towards satisfaction of any amounts due and payable or overdue in respect of Secured Debt not referred to in other paragraphs of the Payment Priorities; and

ix. *Ninth*, any surplus shall be available to each Obligor entitled thereto to deal with as it sees fit (which shall include, (i) subject to satisfaction of the Restricted Payment Conditions, towards making a Restricted Payment; and (ii) crediting any surplus to a Distribution Account).

(vi) *Authorised Investments*: the Cash Manager is permitted, in accordance with the CTA, to invest in certain Authorised Investments from amounts standing to the credit of any of the Accounts.

Such Authorised Investments include:

i. securities issued by the government of the United Kingdom;

ii. demand or time deposits, certificates of deposit and short-term unsecured debt obligations, including commercial paper, or other investments with similar liquidity and effective credit quality characteristics to time deposits, provided that the issuing entity or, if such investment is guaranteed, the guaranteeing entity, having at least the Minimum Short-term Rating from at least two of Fitch, Moody's or S&P;

iii. any other obligations provided that, in each case, the relevant investment has at least the Minimum Short-term Rating from at least two of Fitch, Moody's or S&P;

iv. any other money market funds having the Minimum Short-term Rating from at least two of Fitch, Moody's or S&P; and

v. any other investment which is an "Authorised Investment" as defined in the OpCo MDA,

in each case denominated in sterling, euros or US Dollars and to which PledgeCo or any other member of the MidCo Group is alone (or together with other members of the MidCo Group) beneficially entitled at that time and which is not issued or guaranteed by PledgeCo or any member of the MidCo Group or

subject to any Security (other than Security arising under the Security Documents) ("**Authorised Investments**");

(vii) *Cash Management during a Standstill Period*: At any time when a Standstill Period is continuing, the Cash Manager (subject to the prior accession of the Standstill Cash Manager to the Standstill Cash Manager Accession Documents) will cease to undertake the cash management services and all cash management will be undertaken by the Standstill Cash Manager in accordance with the provisions of the CTA;

(viii) *Standstill Cash Manager*: Following the commencement of a Standstill Period and for so long as it continues, and provided that no Enforcement Action (other than a Permitted Share Pledge Acceleration) has occurred:

i. MidCo shall cease to be the Cash Manager and will be replaced by the Standstill Cash Manager which shall control payments into and out of the Accounts;

ii. the Standstill Cash Manager shall on a monthly basis calculate the aggregate of all payments falling to be made, or expected to fall to be made, during the next following period of 12 months and shall calculate all net receipts received and/or expected to be received over that 12-month period. To the extent that the forecast receipts are insufficient to pay the aggregate of all payments falling to be made during the next 12 months, the Standstill Cash Manager shall notionally apply those forecast receipts to each category in accordance with the Payment Priorities until the revenues that are forecast to be available is insufficient to meet all of the payments falling to be made within such 12-month period in any paragraph of the Payment Priorities (the "**Shortfall Paragraph**") and shall, in respect of those categories of payment falling within the Shortfall Paragraph, divide the anticipated revenues remaining pro rata between those amounts; and

iii. the Standstill Cash Manager shall, subject to the terms of the Initial MidCo Facility Agreement, during a Standstill Period deliver a Utilisation Request in relation to the Initial RCF Facility and may from time to time be required and apply such amounts towards amounts due under the Shortfall Paragraph as may from time to time be required.

Throughout the Standstill Period, any payments falling to be made within a category of payment falling within a Shortfall Paragraph shall be satisfied by a payment of the pro rata share of that payment calculated in accordance with paragraph (i) above and the balance of the payment not made shall remain outstanding. No payments falling in a category which falls after a Shortfall Paragraph shall be made but such payments shall remain outstanding; and

(ix) *Cash Management during Standstill*: upon notice from the Security Trustee that a Standstill has occurred, the Standstill Cash Manager agrees that it will act as Standstill Cash Manager in accordance with the CTA and the STID, from such time and until instructed otherwise by, or until such instruction is withdrawn by, the Security Trustee, and shall act upon the instructions of the Security Trustee. In the case of any conflict between any instructions given to the Standstill Cash Manager by the Security Trustee and any other person, the instructions of the Security Trustee will prevail.

Trust Deed

General

The Trust Deed between the Issuer, the Guarantors and the Note Trustee contains, amongst other things, the following provisions:

(a) the Issuer's covenant to the Note Trustee (who holds the benefit of the covenant on trust for the Noteholders) to pay the principal and interest on the Notes in accordance with the Conditions;

(b) the Issuer's liberty from time to time (but subject always to the provisions of the Trust Deed and in accordance with the Dealership Agreement) without the consent of the Noteholders or the Couponholders to create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest in respect of such Notes) and so that such further issues shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue;

(c) requirements in relation to Global Notes and Definitive Notes;

(d) the Guarantee given by the Guarantors;

(e) the covenants and undertakings of the Issuer and Guarantors;

(f) the Note Trustee's power to approve, authorise or waive any breach or proposed breach of any of the covenants or provisions of the Trust Deed or the Conditions or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Trust Deed, provided that the Note Trustee shall not exercise any powers conferred upon it by such provision in contravention of any express direction by an Extraordinary Resolution (as defined in the Trust Deed) or of a request pursuant to Condition 10 (*Events of Default*);

(g) provisions relating to meetings of Noteholders; and

(h) the appointment, retirement, removal, remuneration, indemnification and liability of the Note Trustee.

Covenants of the Issuer and the Guarantors

So long as any Note or any Coupon is outstanding, each of the Issuer and the Guarantor will:

(a) give or procure to be given to the Note Trustee such opinions, certificates, information and evidence as it shall require and in such form as it shall reasonably require, for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under the Trust Deed, any other Finance Document or by operation of law;

(b) cause to be prepared and certified by the Auditors, in respect of each of its financial years, accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the London Stock Exchange or such other stock exchange on which the Notes may be listed from time to time;

(c) use all reasonable endeavours to maintain the listing of the Notes on the official list of the Financial Conduct Authority under Part VI of the FSMA and admission to trading on the Market, or, if it is unable to do so having used its reasonable endeavours or if the Note Trustee agrees with the Issuer that the maintenance of such listing is unduly onerous and the Note Trustee is satisfied that to do so would not be materially prejudicial to the interests of the Noteholders, use its reasonable endeavours to obtain and maintain a quotation or listing of the Notes on the Market or on such other stock exchange or exchanges or securities market or markets as the Issuer may (with the prior written approval of the Note Trustee) decide and shall also, upon obtaining a quotation or listing of the Notes on such other stock exchange or exchanges or securities market or markets, enter into a trust deed supplemental to the Trust Deed to effect such consequential amendments to the Trust Deed as the Note Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange(s) or securities market(s);

(d) comply with and perform all its obligations under the Note Documents and use all reasonable endeavours to procure that the Paying Agents comply with and perform all their respective obligations under the Agency Agreement and any notice given by the Note Trustee pursuant to the Trust Deed;

(e) at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the opinion of the Note Trustee to give effect to the Note Documents;

(f) prior to making any modification or amendment or supplement to the Trust Deed, if reasonably requested, procure the delivery of legal opinion(s) as to English and any other relevant law, addressed to the Note Trustee, dated the date of such modification or amendment or supplement, as the case may be, and in a form acceptable to the Note Trustee from legal advisers acceptable to the Note Trustee;

(g) unless the Note Trustee has already been so notified, notify the Note Trustee of the occurrence of any Event of Default or Potential Event of Default relating to it (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence;

(h) notify the Rating Agencies then rating the Notes of any such amendment, variation, novation, supplementation, succession, waiver or termination of a Note Document (unless deemed not to be reasonably likely to be materially prejudicial to the interests of Noteholders) made in accordance with the sub-paragraph above; and

(i) furnish, or procure that there is furnished, from time to time, any and all documents, instruments, information and undertakings that may be necessary in order to maintain the current ratings of the Notes by the Rating Agencies (save that when any such document, instrument, information and/or undertaking is not within the possession or control of the Issuer, the Issuer agrees to use all reasonable efforts to furnish, or procure that there is furnished, from time to time any such documents, instruments, information and undertakings as may be necessary in order to maintain the current ratings of the Notes by the Rating Agencies).

Governing Law

The Trust Deed (and any non-contractual obligations arising out of or in connection with it) shall be governed by English Law.

Issuer/MidCo Loan Agreements

All Financial Indebtedness raised by the Issuer from time to time under the MidCo Common Debt Platform is backed by an aggregate nominal amount of debt owed by MidCo to the Issuer under loan agreements (the "**Issuer/MidCo Loan Agreements**"). Each advance under the Issuer/MidCo Loan Agreements will relate to the principal amount of the relevant Notes issued by the Issuer on an Issue Date or the principal amount of debt raised under an Authorised Credit Facility. The Issuer's obligations to repay principal and pay interest on the Notes are intended to be met primarily from the repayments of principal and payments of interest received from MidCo under the Issuer/MidCo Loan Agreements and, to the extent that the Issuer has hedged its exposure to such payments under a Hedging Agreement, from payments received by the Issuer under such Hedging Agreement. The business of MidCo demonstrates the capacity to produce funds to service any payments due and payable under the Issuer/MidCo Loan Agreements. MidCo will use the funds from the Issuer for its general corporate purposes.

All advances to be made by the Issuer under the Issuer/MidCo Loan Agreements will be in a currency and in amounts and at rates of interest set out in the relevant Final Terms (or other applicable Authorised Credit Facility) or, if hedged by the Issuer, at the hedged rate and will have interest payment dates on the same dates as the related Notes or advance under the applicable Authorised Credit Facility. Interest on each advance made under an Issuer/MidCo Loan Agreements will accrue from the date of such advance. In addition, each advance

will be repayable on the same date as the related Notes or advance under the applicable Authorised Credit Facility.

The Issuer/MidCo Loans are repayable on demand by the Issuer or may be prepaid by MidCo, in each case together with (i) interest accrued thereon and any other amounts due or owing to the Issuer at such time and (ii) if the Issuer has elected to redeem the Notes in accordance with Condition 6.4 (*Redemption at the Option of the Issuer*), an amount equal to the excess of the Optional Redemption Amount over the principal amount of the Issuer/MidCo Loans (if any).

Governing Law

The Issuer/MidCo Loan Agreement (and any non-contractual obligations arising out of or in connection with them) shall be governed by English Law.

Agency Agreement

The Agency Agreement, includes, amongst other things, the following provisions:

(a) the duties of the Issuing and Paying Agent and the Paying Agents and the terms on which they are appointed, or on which such appointment may be resigned or terminated or any additional or successor Paying Agents may be appointed;

(b) indemnity by the Issuer (failing whom, MidCo) of each Paying Agent against any claim, demand, action, liability, damages, cost, loss or expense incurred otherwise than by reason of its own gross negligence, or wilful misconduct, default or bad faith, as a result or arising out of or in relation to its acting as the agent of the Issuer and MidCo in relation to the Notes;

(c) payment by the Issuer (failing whom, MidCo) of principal and/or interest in respect of the Notes, as the same becomes due and payable, to the Issuing and Paying Agent, before such payment becomes due and the manner and time of such payments;

(d) payment by each Paying Agent of principal and interest to Noteholders in respect of the Notes in accordance with the Conditions;

(e) provisions relating to the notification of the Note Trustee in the event that the Issuing and Paying Agent (i) does not receive on the due date for payment in respect of the Notes, the full amount payable, or (ii) receives such amount after the relevant due date for payment in respect of the Notes;

(f) provisions relating to the authentication of the temporary Global Note, the Global Notes and the Definitive Notes, the exchange of the temporary Global Note for a Global Note, the exchange of the Global Note for Definitive Notes and the issue of replacement Notes and Coupons;

(g) the keeping of records of the payment, redemption, replacement, cancellation and destruction of Notes; and

(h) the fees and expenses of the Issuing and Paying Agent and the Paying Agents.

Governing Law

The Agency Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by English Law.

Initial MidCo Facility Agreement

On 16 June 2021, the Issuer and the Guarantors entered into the Initial MidCo Facility Agreement. The Initial MidCo Facility Agreement comprises a £250,000,000 revolving credit facility and £100,000,000 term facility (originally a £150,000,000 term facility prior to a repayment in accordance with the terms of the Initial MidCo

Facility Agreement) and incorporates the representations, warranties and covenants (positive, negative and financial) set out in the Common Terms Agreement.

The Initial MidCo Facility Agreement is made available to the Issuer for general corporate purposes. The revolving credit facility may be drawn at any time during the Availability Period (as defined in the Initial MidCo Facility Agreement) and until the termination of a Standstill Period, and may be used to pay, *inter alia*, debt service payments.

Security Agreement

The Issuer, MidCo and PledgeCo have entered into the Security Agreement pursuant to which the Issuer, MidCo and PledgeCo have granted to the Security Trustee (as continuing security for the Guarantee granted by it) Security over substantially all of their assets.

Governing Law

The Security Agreement (and any non-contractual obligations arising out of or in connection with it) are governed by English Law.

Hedging

Any Obligor may enter into Hedging Agreements, other than PledgeCo.

Any change to the Hedging Policy, which affects, or will affect, the Hedging Agreements, will be subject to Issuer board approval and shall be made in accordance with the STID.

The purpose of the Hedging Policy is to limit the Controlled Group's exposure to fluctuations in interest rates and currencies.

The Hedging Policy will be regularly reviewed by the Issuer and amended (in accordance with the provisions of the STID) as reasonably appropriate in line with market developments, regulatory developments and prudent treasury management.

Hedging Policy

No member of the Controlled Group shall enter into Treasury Transactions for the purpose of speculation, but rather only to manage risk inherent in its business or funding on a prudent basis and which shall include any pre-hedging if thought appropriate.

Subject to the restriction that PledgeCo may not enter into a Hedging Agreement, the Hedging Policy shall not apply with respect to any Treasury Transaction entered into only between members of the MidCo Group.

No member of the Controlled Group may bear unhedged currency risk at any time in respect of the interest payable to expected maturity and the repayment of principal under any foreign currency denominated debt instruments. No member of the Controlled Group may enter into inflation-linked hedging and no member of the Controlled Group (other than MidCo and the Issuer) may enter into any Hedging Agreement. All Hedging Agreements shall be entered into (whether by way of novation or otherwise) in the form (as amended by the parties thereto) of the ISDA Master Agreement.

Any Obligor (other than PledgeCo) may only enter into Treasury Transactions (with the exception of any One Way Treasury Transactions, to which this paragraph shall not apply) with counterparties whose short-term rating is no less than the Day 1 Minimum Rating as at the Trade Date (as such term is defined in the relevant Hedging Agreement) in respect of such Treasury Transaction, or where a guarantee is provided by an institution which meets the same criteria, or where these requirements are satisfied by a combination of the ratings of the counterparty and its guarantor.

For the purposes of the Hedging Policy only:

"**Day 1 Minimum Rating**" means, the rating set out in paragraph (a) of the definition of "Minimum Short-term Rating" from at least two of S&P, Fitch and Moody's, or such lower rating level notified in writing by the Issuer to the Security Trustee:

(i) which, in the opinion of the Issuer having discussed with the relevant rating agencies, would not lead to any downgrade or the placing on credit watch negative (or equivalent) of the then current ratings ascribed to any rated Secured Debt by the relevant rating agencies; and

(ii) provided that such rating shall not be required from any such rating agency that is not then rating the Secured Debt.

Termination of the Hedging Agreements

A Hedge Counterparty is entitled to designate an Early Termination Date if one or more of the following events is continuing:

i. any event outlined in Paragraph 1 (*Non-payment*) of Schedule 4 (*Events of Default*) of the CTA, if it relates to non-payment under the relevant Hedging Agreement;

ii. any event outlined in Paragraph 4 (*Insolvency)* of Schedule 4 (*Events of Default*) of the CTA, if it relates to an event that has occurred in relation to the relevant Obligor (other than PledgeCo) that has entered into that Hedging Agreement;

iii. an event outlined in section 5(b)(i) (*Illegality*) of the relevant Hedging Agreement;

iv. an event outlined in section 5(b)(ii) (*Force Majeure*) of the relevant Hedging Agreement;

v. an event outlined in section 5(b)(iii) (*Tax Event*) of the relevant Hedging Agreement;

vi. a Standstill Period has ended otherwise than in accordance with clause 18.4.1(iii) of the STID;

vii. a Permitted Share Pledge Acceleration has occurred;

viii. an event outlined in section 5(b)(iv) (*Tax Event Upon Merger*) of the relevant Hedging Agreement; and

ix. an acceleration of any Secured Liabilities pursuant to clause 16.8 (*Acceleration of Secured Liabilities*) of the STID;

Any Hedging Transaction may be terminated in whole or in part without the consent of the Security Trustee on such terms as may be agreed from time to time between the relevant Hedge Counterparty and the relevant Obligor (other than PledgeCo) that has entered into such Hedging Transaction, provided always that the terms of the STID are complied with.

No Events of Default (as defined in the relevant Hedging Agreement) shall apply in relation to the relevant Obligor and no Termination Events (as defined in the relevant Hedging Agreement) in respect of which the Hedge Counterparty would have a right to terminate the relevant Hedging Agreement shall apply (other than those referred to above).

Hedging Agreements

The Issuer and MidCo may enter into Additional Hedging Agreements from time to time in accordance with the provisions of the Hedging Policy, details of which are set out above.

Each Hedge Counterparty will be required to acknowledge in the relevant Hedging Agreement that the relevant Hedging Agreement will be subject to the provisions of the Common Terms Agreement, the STID and that all

amounts payable or expressed to be payable by the relevant Obligor under or in connection with such Hedging Agreement shall only be recoverable (and all rights of the relevant Hedge Counterparty under such Hedging Agreement shall only be exercisable) subject to and in accordance the STID or the Common Documents.

TAXATION

United Kingdom Taxation

The following is a general summary of the United Kingdom withholding taxation treatment of payments in respect of interest (as that term is understood for United Kingdom tax purposes) on the Notes. These comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of (including redeeming) Notes. They relate only to the position of persons who are absolute beneficial owners of the Notes. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the Terms and Conditions of the Notes). Prospective purchasers of Notes should be aware that the particular terms of issue of any Series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other Series of Notes. This summary, as it applies to United Kingdom taxation, is based upon current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs' published practice (which may not be binding on HM Revenue & Customs) in each case, in effect on the date of this Prospectus and is subject to any change in law or practice that may take effect after such date (including with retrospective effect).

Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Prospective purchasers who are in any doubt as to their tax position should consult their professional advisers.

1 Interest on the Notes

The Notes issued will constitute "quoted Eurobonds", provided they carry a right to interest and are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the United Kingdom Income Tax Act 2007, or admitted to trading on a "multilateral trading facility" operated by a UK, Gibraltar or EEA regulated recognised stock exchange, within the meaning of section 1005 and section 987 of the United Kingdom Income Tax Act 2007, in each case for the purposes of section 987 of the United Kingdom Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of FSMA) and are admitted to trading on the London Stock Exchange. Current HMRC guidance is that securities listed on the Main Market (excluding the High Growth Segment) of the London Stock Exchange satisfies this requirement.

Whilst the Notes are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax ("**United Kingdom withholding tax**").

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom withholding tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In all other cases, United Kingdom income tax (currently 20 per cent. and increasing to 22 per cent. for payments made on or after 6 April 2027) is generally imposed on interest payments on the Notes, subject to the availability

of other reliefs or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

2 Payments in respect of the Guarantee

The United Kingdom withholding tax treatment of payments by the Guarantors under the terms of the Guarantee in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) is uncertain. Such payments may be paid under deduction of United Kingdom income tax (either at the basic rate of 20 per cent. or potentially (on or after 6 April 2027 only) at the savings basic rate (which will be 22 per cent. from such date)), subject to the availability of other reliefs or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty. The exemptions outlined in section 1 (*Interest on the Notes*) above may not apply to such payments by the Guarantors.

FATCA Withholding

Pursuant to certain provisions of the Code, commonly known as FATCA, a "foreign financial institution" (including an intermediary through which Notes are held) may be required to withhold at a rate of 30 per cent. on certain payments it makes (**"foreign passthru payments"**) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthrough payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). If additional notes (as described under *"Terms and Conditions of the Notes – Further Issues"*) that are not distinguishable from such previously issued grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Summary of the Dealership Agreement

Subject to the terms and on the conditions contained in a Dealership Agreement dated 21 January 2011 and as amended and restated on 12 October 2012, 21 July 2017, 23 July 2018, 30 September 2019, 19 October 2020, 18 June 2021, 12 August 2022, 10 October 2023, 9 October 2024 and 9 October 2025 and as further amended and restated on or about the date of this prospectus (the "**Dealership Agreement**") between the Issuer, the Guarantors, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers or such other Dealers as may be appointed from time to time in respect of any Series pursuant to the Dealership Agreement. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealership Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealership Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act, as amended, and the Notes and the Guarantee may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or subject to the registration requirements of the Securities Act. The Notes and the Guarantee are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealership Agreement, it has not offered, sold or, in the case of Bearer Notes, delivered and will not offer, sell or, in the case of Bearer Notes, deliver the Notes and the Guarantee of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the "**Resale Restriction Termination Date**"), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes and the Guarantee prior to the Resale Restriction Termination Date a confirmation or other notice to substantially the following effect:

"The Notes and the Guarantee covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after

the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.".

Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of any identifiable Tranche of Notes, an offer or sale of Notes and the Guarantee within the United States by any dealer (whether or not participating in the offering of such Tranche) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each issuance of Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer, the Guarantors and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the relevant Final Terms.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States to non-U.S. persons in reliance on Regulation S. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any U.S. person or to any other person within the United States. Distribution of this Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering

contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or both) of the following:

(i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not made and will not make an offer of Notes which are the subject of this Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of Notes to the public in the United Kingdom:

i. at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

ii. at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;

iii. at any time if the denomination per Note being offered amounts to at least GBP50,000 (or equivalent); or

iv. at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes;

(ii) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Belgium

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia) ("**Corporations Act**") in relation to the Programme or any Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**").

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

(a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any offering circular or any other offering material or advertisement relating to the Notes in Australia,

unless:

(i) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act;

(ii) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);

(iii) such action does not require any document to be lodged with ASIC; and

(iv) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading or any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

No key information document according to the FinSA or any equivalent document under the FinSA has been prepared in relation to the Notes, and, therefore, the Notes may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

Canada

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing,

(a) any offer, sale or distribution of the Bonds in Canada has and will be made only to purchasers that are "accredited investors" (as such term is defined in section 1.1 of NI 45-106 or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario)), that are also "permitted clients" (as such term is defined in section 1.1 of NI 31-103), that are purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws, and that are not a person created or used solely to purchase or hold the Notes as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106;

(b) either (I) it is appropriately registered under applicable Canadian securities laws in each relevant province or territory to sell and deliver the Bonds, (II) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the representations, warranties and agreements set out herein, or (III) it is relying on an exemption from the dealer registration requirements under applicable Canadian securities laws and has complied with the requirements of that exemption; and

(c) it has not and will not distribute or deliver this Base Prospectus, or any other offering material in connection with any offering of the Notes, in Canada or to a resident of Canada or to any person subject to the securities laws of any province or territory of Canada, other than in compliance with applicable Canadian securities laws.

(d) it will comply with all relevant Canadian Securities Laws concerning any resale of the Notes by it and will prepare, execute, deliver and file all documentation, required by the applicable Canadian Securities Laws to permit each resale by it of Notes to a Canadian Purchaser;

(e) it will ensure that each Canadian Purchaser purchasing from it (i) has represented to it that such Canadian Purchaser is a resident in, and subject to the Canadian Securities Laws of, a province or territory of Canada, or is a corporation, partnership, or other entity, resident and created in or organised under the laws of Canada or any province or territory thereof, (ii) has represented to it that such Canadian Purchaser is (A) an "accredited investor" as defined in section 1.1 of National Instrument 45-106-Prospectus and Registration Exemptions ("**NI 45-106**") or Section 73.3 of the Securities Act (Ontario), as applicable, which categories set forth in the relevant definition of "accredited investor" in NI 45- 106 correctly and in all material respects describes such Canadian Purchaser and that it is not a person created

or used solely to purchase or hold the Notes as an accredited investor as described in section 2.3(5) of NI 45-106, and (B) if the Canadian Purchaser is an individual and/or the dealer is permitted to rely on the "international dealer exemption", is a "permitted client" as defined in section 1.1 of NI 31-103 and which categories set forth in the definition of "permitted client" in NI 31-103 correctly and in all respects describes such Canadian Purchaser; and (iii) consents to disclosure of all required information about the purchase to the relevant Canadian securities regulatory authorities;

(f) the offer and sale of the Notes was not and will not be made through or accompanied by any advertisement of the Notes, including, without limitation, in printed media of general and regular paid circulation, radio, television, or telecommunications, including electronic display or any other form of advertising or as part of a general solicitation in Canada by the Dealer;

(g) it will ensure that each Canadian Purchaser is advised that no securities commission, stock exchange or other similar regulatory authority in Canada has reviewed or in any way passed upon the Canadian Offering Memorandum or the merits of the Notes described therein, nor has any such securities commission, stock exchange or other similar regulatory authority in Canada made any recommendation or endorsement with respect to the Notes, provided that a statement to such effect in any Canadian Offering Memorandum delivered to such Canadian Purchaser by the Dealer shall constitute such disclosure;

(h) it has not made and it will not make any written or oral representations to any Canadian Purchaser (i) that any person will resell or repurchase the Notes purchased by such Canadian Purchaser; (ii) that the Notes will be freely tradeable by the Canadian Purchaser without any restrictions or hold periods; (iii) that any person will refund the purchase price of the Notes; or (iv) as to the future price or value of the Notes; and

(i) it will inform each Canadian Purchaser (i) that the Issuer is not a "reporting issuer" and is not, and may never be, a reporting issuer in any province or territory of Canada and there currently is no public market in Canada for any of the Notes, and one may never develop; (ii) that the Notes will be subject to resale restrictions under applicable Canadian Securities Laws; and (iii) such Canadian Purchaser's name and other specified information will be disclosed to the relevant Canadian securities regulators or regulatory authorities and may become available to the public in accordance with applicable laws, provided that a statement to such effect in any Canadian Offering Memorandum delivered to such Canadian Purchaser by the Dealer shall constitute such disclosure.

General

These selling restrictions may be modified by the agreement of the Issuer, the Guarantors and the Dealers following a change in a relevant law, regulation or directive.

No representation is made by the Issuer, or the Dealers that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms in all cases at its own expense and neither the Issuer, the Guarantors, the Note Trustee nor any of the Dealers shall have responsibility therefor.

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared, and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]

[**MiFID II product governance/Professional investors and ECPs only target market** - Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **“distributor”**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation EU No 600/2014 as it forms part of domestic law by virtue of the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either

adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [●]

ANGLIAN WATER (OSPREY) FINANCING PLC

Legal Entity Identifier (LEI): 21380072JDZ74GW9ZY87

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

unconditionally and irrevocably guaranteed by Osprey Acquisitions Limited and Osprey Investco Limited

under the £10,000,000,000 Guaranteed Secured Medium Term Note Programme

Part A- CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 13 October 2026 [and the supplemental Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the "**PRM**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the PRM and must be read in conjunction with such Prospectus [as so supplemented] in order to obtain all the relevant information. The Prospectus [and the supplemental Prospectus] [has] [have] been published on the Issuer's website at https://www.anglianwatergroup.co.uk/debt-investors/reports-prospectuses-and-certificates and (in the case of Notes listed and admitted to trading on the Main Market of the London Stock Exchange) the relevant Final Terms will also be published on the website of the London Stock Exchange: https://www.londonstockexchange.com/news.

[The Notes and the guarantees in respect thereof have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any State or other jurisdiction of the United States. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).] / [The Notes and the guarantees in respect thereof have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any State or other jurisdiction of the United States. The Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**") or as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **"Conditions"**) set forth in the Prospectus dated [original date] and incorporated by reference into the Prospectus dated 13 October 2026 [and the supplemental Prospectus dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the "**PRM**") and must be read in conjunction with the Prospectus dated 13 October 2026 [and the supplemental Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the UK PRM in order to obtain all relevant information. The Prospectuses [and the supplemental Prospectus] [has] [have] been published on the Issuer's website at *www.anglianwater.co.uk*. The Prospectus and (in the case of Notes listed and admitted to trading on the Main Market of the London Stock Exchange) the relevant Final Terms will also be published on the website of the London Stock Exchange: https://www.londonstockexchange.com/news.]

1	(i) Issuer:	Anglian Water (Osprey) Financing Plc
	(ii) Guarantors:	Osprey Acquisitions Limited and Osprey Investco Limited
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●] [The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [[●]/the Issue Date/exchange of the temporary Global Note for interests in the permanent Global Note, as referred to in paragraph 24 below] [which is expected to occur on or about[●]]].
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount of Notes:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	Issue Price:	[●] per cent., of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(i) Specified Denominations:	[●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●]]
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[[●]/Issue Date/Not Applicable]
8	Maturity Date:	[●]/[Interest Payment Date falling in or nearest to[●]]
9	Interest Basis:	[[●] per cent. Fixed Rate][, subject to the Step Up Option] [[SONIA/EURIBOR] +/- [●] per cent. Floating Rate][, subject to the Step Up Option] [Zero Coupon]
10	Redemption/Payment Basis:	[Redemption at par] [Dual Currency] [Instalment]
11	Final Redemption Amount:	[●] per Calculation Amount [except where the Notes are redeemed in circumstances where an Optional Redemption Amount is payable instead]
12	Change of Interest or Redemption/ Payment Basis:	[[●]/Not Applicable]
13	Put/Call Options:	[Investor Put is [Applicable]/[Not Applicable]] [Issuer Call is [Applicable]/[Not Applicable]] [3-Months Par Call is [Applicable]/[Not Applicable]]

		[Guarantor Change of Control Put is [Applicable]/[Not Applicable]]
14	[Date [Board] approval for issuance of Notes obtained:	[●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	**Fixed Rate Note Provisions**	[Applicable/Not Applicable]
	(i) Rate[(s)] of Interest:	[The Notes are subject to the Step Up Option]/[The Notes are not subject to the Step Up Option] (*If the Notes are Step Up Notes*) [The Initial Rate of Interest is] [●] per cent., per annum [payable [annually/semi-annually/quarterly/monthly/] in arrear [(further particulars specified in paragraph 19 below)]
	(ii) Interest Payment Date(s):	[[●] [and [●]] in each year up to and including the Maturity Date [adjusted in accordance with [●]/not adjusted]
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv) Broken Amount(s):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
	(v) Day Count Fraction:	30/360 / Actual/Actual [ICMA/ISDA]
	(vi) Determination Dates:	[[●] [and [●]] in each year]/[Not Applicable]
16	**Floating Rate Note Provisions**	[Applicable/Not Applicable] [The Notes are subject to the Step Up Option]/[The Notes are not subject to the Step Up Option] [(further particulars specified in paragraph 19 below)]
	(i) Interest Period(s):	[●]
	(ii) Specified Interest Payment Dates:	[●]
	(iii) First Interest Payment Date:	[●]
	(iv) Interest Period Date:	[●]
	(v) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(vi) Additional Business Centre(s):	[●]
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
	(ix) Screen Rate Determination:	
	– Relevant Time:	[●]

– Primary Source for Floating Rate:	[●]
– Reference Banks (if Primary Source is "Reference Banks"):	[●]
– Relevant Financial Centre:	[●]
- Reference Rate:	[SONIA/EURIBOR]
- Interest Determination Date(s):	[Second London business day prior to the start of each Interest Period] [First day of each Interest Period] [Second day on which T2 is open prior to the start of each Interest Period] [[●] business days prior to the start of each Interest Period]
- Page:	[●]
– Representative Amount:	[●]
– Effective Date:	[●]
– Specified Duration:	[●]
– Reference Look Back Period:	[●]
– Observation Method:	[Lag]/[Observation Shift]
(x) ISDA Determination:	
- Floating Rate Option:	[●]
- Designated Maturity:	[●]
- Reset Date:	[●]
- ISDA Definitions:	2006
(xi) Margin(s):	(*If the Notes are Step Up Notes*) [The Initial Margin is] [+/-] [●] per cent. per annum
(xii) Minimum Rate of Interest:	[●] per cent. per annum
(xiii) Maximum Rate of Interest:	[●] per cent. per annum
(xiv) Day Count Fraction:	[Actual/Actual] [Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]

17	**Zero Coupon Note Provisions**	[Applicable/Not Applicable]
	(i) Amortisation Yield:	[Condition 6.2(i) (*Zero Coupon Notes*) applies [[●] per cent. per annum]]
18	**Dual Currency Note Provisions**	[Applicable/Not Applicable]
	(i) Rate of Exchange/method of calculating Rate of Exchange:	[●]
	(ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent)	[●]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable	[●]
	(iv) Person at whose option Specified Currency(ies) is/are payable	[●]
18	**Step Up Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) SPT:	Net Operational Carbon SPT(a): [Applicable/Not Applicable] Net Operational Carbon SPT(b): [Applicable/Not Applicable] Capital Carbon SPT(a): [Applicable/Not Applicable] Capital Carbon SPT(b): [Applicable/Not Applicable] Natural Household Water Abstraction SPT(a): [Applicable/Not Applicable] Natural Household Water Abstraction SPT(b): [Applicable/Not Applicable] PSR Adoption SPT(a): [Applicable/Not Applicable] PSR Adoption SPT(b): [Applicable/Not Applicable] Additional SPT: [Applicable [*please include definition of specific Additional SPT*]/Not Applicable]
	(ii) Baseline:	Net Operational Carbon Emissions Baseline: [[●], subject to such Net Operational Carbon Emissions Baseline being adjusted in good faith in accordance with Condition 5(2)(c)(D) (*Step Up Option*) (if applicable)/Not Applicable] Capital Carbon Emissions Baseline: [[●], subject to such Capital Carbon Emissions Baseline being adjusted in good faith in accordance with Condition 5(2)(c)(D) (*Step Up Option*) (if applicable)/Not Applicable] Natural Household Water Abstraction Baseline: [[●], subject to such Natural Household Water Abstraction

		Baseline being adjusted in good faith in accordance with Condition 5(2)(c)(D) (*Step Up Option*) (if applicable)/Not Applicable] PSR Adoption Baseline: [[●], subject to such PSR Adoption Baseline being adjusted in good faith in accordance with Condition 5(2)(c)(D) (*Step Up Option*) (if applicable)/Not Applicable]
	(iii) Step Up Event:	[Net Operational Carbon SPT(a) not met / Not Applicable] [Net Operational Carbon SPT(b) not met / Not Applicable] [Capital Carbon SPT(a) not met / Not Applicable] [Capital Carbon SPT(b) not met / Not Applicable] [Natural Household Water Abstraction SPT(a) not met / Not Applicable] [Natural Household Water Abstraction SPT(b) not met / Not Applicable] [PSR Adoption SPT(a) not met / Not Applicable] [PSR Adoption SPT(b) not met / Not Applicable] [Additional SPT not met / Not Applicable]
	(iv) Step Up Margin:	[Net Operational Carbon SPT(a) not met: [[●] per cent. per annum./Not Applicable]] [Net Operational Carbon SPT(b) not met: [[●] per cent. per annum./Not Applicable]] [Capital Carbon SPT(a) not met: [[●] per cent. per annum./Not Applicable]] [Capital Carbon SPT(b) not met: [[●] per cent. per annum./Not Applicable]] [Natural Household Water Abstraction SPT(a) not met: [[●] per cent. per annum./Not Applicable]] [Natural Household Water Abstraction SPT(b) not met: [[●] per cent. per annum./Not Applicable]] [PSR Adoption SPT(a) not met: [[●] per cent. per annum./Not Applicable]] [PSR Adoption SPT(b) not met: [[●] per cent. per annum./Not Applicable]] [Additional SPT not met: [[●] per cent. per annum./Not Applicable]]
	(v) Notification Date:	[15 days following the Verification Publication Date in 2025, provided that it is not later than 31 July 2025]/[15 days following the Verification Publication Date in 2030, provided that it is not later than 31 July 2030]

PROVISIONS RELATING TO REDEMPTION

19	**Call Option**	[Applicable/Not Applicable]

	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount]/[Spens Price]
	(iii) Spens Price	[[Applicable]/[Not Applicable]]
	(iv) If redeemable in part:	
	Minimum Redemption Amount:	[●]
	Maximum Redemption Amount:	[●]
	(v) Notice period:	[●]
	(vi) Redemption Margin:	[[●]/Not Applicable]
	(vii) Reference Gilt:	[[●]/Not Applicable]
20	**Guarantor Change of Control Put Option**	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Notice period (if other than as specified in the Conditions):	[●]
21	**3-Months Par Call**	[[Applicable]/[Not Applicable]]
22	**Residual Call**	[[Applicable]/[Not Applicable]]
23	**Early Redemption Amount**	[●]
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6 (*Redemption, Purchase and Options*)):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	Bearer Notes: [temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note] [temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note] Registered Notes:

		[Regulation S Global Note (U.S. $/€[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]]
25	New Global Note:	[Yes] [No]
26	Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/[●]]
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left. / No] [Not Applicable]
28	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/[●] [Instalment Amount/Instalment Date/Amortised Face Amount]
29	U.S. Selling Restrictions:	Reg S Compliance Category 2: [TEFRA C/TEFRA D/TEFRA not applicable]

Signed on behalf of the Issuer:

By: …….
Duly authorised

Signed on behalf of MidCo:

By: …….
Duly authorised

Signed on behalf of PledgeCo:

By: …….
Duly authorised

Part B – Other Information

1 **LISTING PARTICULARS**

(i) Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Main Market and listing on the Official List of the FCA with effect from [●].] [Application is expected to be made for the Notes to be admitted to trading on the London Stock Exchange's Main Market and listing on the Official List of the FCA with effect from [●].] [None on the Issue Date. The Issuer intends to apply for the Notes to be admitted to trading on the London Stock Exchange's Main Market and listing on the official list of the FCA following the Issue Date.]
(ii) Estimate of total expenses related to admission to trading:	[●]

2 **RATINGS**

Ratings:	The Notes to be issued have been rated: [[●]] [Fitch: [●]]

3 **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

Reasons for the offer:	[●] [See [“Use of Proceeds”] in [Base] Prospectus/Give details] (See [“Use of Proceeds”] wording in [Base] Prospectus – if reasons for offer different from what is disclosed in the [Base] Prospectus, give details here.)
Estimated net proceeds:	[●]
Estimated total expenses:	[●]

4 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5 **[Fixed Rate Notes Only - YIELD**

Indication of yield:	[●] Calculated as [●] on the Issue Date. As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE**

[●]

7 **OPERATIONAL INFORMATION**

ISIN Code:	[●]
Common Code:	[●]
[CFI:	[Not Applicable / [See [●] as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Available]
[FISN:	[Not Applicable / [See [●] as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Available]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable/[●]]
[Intended to be held in a manner which would allow Eurosystem eligibility]	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) [*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem

monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

GENERAL INFORMATION

(1) Listing of Notes

The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of a temporary Global Note or permanent Global Note (or one or more Certificates) in respect of each Tranche. The listing of the Programme in respect of the Notes is expected to be granted on or about 16 October 2026. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.

(2) Authorisation

The Issuer and the Guarantors have obtained all necessary consents, approvals and authorisations in England and Wales in connection with the establishment and update of the Programme and the Guarantee. The establishment of the Programme was authorised by a resolution of the board of directors of the Issuer and passed on 6 January 2011, the giving of the Guarantee by MidCo was authorised by a resolution of the board of directors of MidCo and passed on 6 January 2011 and of PledgeCo on 9 June 2021 and the update of the Programme was authorised by further resolutions of the board of directors of the Issuer and each Guarantor passed on 30 September 2026.

(3) **Significant or Material Change**

There has been no significant change in the consolidated financial performance or financial position of MidCo or the MidCo Group since the end of the last financial period for which either audited financial information or unaudited interim financial information has been published, whichever is the most recent, nor any material adverse change in the prospects of MidCo since the end of the last financial period for which audited financial information has been published.

There has been no significant change in the financial performance or financial position of the Issuer since the end of the last financial period for which either audited financial information or unaudited interim financial information has been published, whichever is the most recent, nor any material adverse change in the prospects of the Issuer since the end of the last financial period for which audited financial information has been published.

There has been no significant change in the financial performance or financial position of PledgeCo nor any material adverse change in the prospects of PledgeCo since the end of the last financial period for which audited financial information has been published.

(4) **Litigation**

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantors are aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantors or the MidCo Group.

(5) Bearer Notes

Each Bearer Note having a maturity of more than one year, and any Receipt, Coupon or Talon with respect to such a Note will bear the following legend (other than a temporary Global Note): “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code”.

(6) Clearing Systems

Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the relevant Final Terms.

(7) Material Contracts

There are no material contracts entered into other than in the ordinary course of the Issuer's or Guarantors' business which could result in either being under an obligation or entitlement that is material to the Issuer's or Guarantors' ability to meet their obligations to Noteholders in respect of the Notes being issued.

(8) Third Party Information

Certain information in the AWS Base Prospectus incorporated by reference into this Prospectus has been sourced from Ofwat. All such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by Ofwat, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

(9) Information in respect of the Notes

The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

(10) Documents Available

For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available for inspection at the Issuer's website at https://www.anglianwatergroup.co.uk/debt-investors and at the specified offices of the Paying Agents for the time being:

(i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);

(ii) the Agency Agreement;

(iii) the Legacy Intercreditor Agreement;

(iv) the Common Terms Agreement;

(v) the Master Definitions Agreement;

(vi) the STID;

(vii) the Security Agreements;

(viii) the Memorandum and Articles of Association of the Issuer and the Guarantors;

(ix) the latest published annual report and audited financial statements of the Issuer and the Guarantors;

(x) each set of Final Terms;

(xi) a copy of this Prospectus together with the documents, or sections of documents incorporated by reference in this Prospectus, any supplement to this Prospectus or further Prospectus; and

(xii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

This Prospectus, the Final Terms for Notes that are listed on the Official List and admitted to trading on the Market will be published on the website of the Regulatory News Service operated by the London Stock Exchange at https://www.londonstockexchange.com/news.

(11) Financial Statements

The Issuer has prepared and delivered to the Registrar of Companies financial statements for the financial years ended 31 March 2025 and 31 March 2026. Both the Issuer and MidCo will publish interim financial statements. PledgeCo will not publish interim financial statements.

Deloitte LLP, of 2 New Street Square, London EC4A 3BZ, registered to carry on audit work in the United Kingdom by the Institute of Chartered Accountants in England and Wales, have audited, and rendered unqualified audit reports on, the financial statements of each of the Issuer and MidCo for the years ended 31 March 2025 and 31 March 2026, and the financial statements of PledgeCo for the years ended 31 March 2025 and 31 March 2026 in accordance with International Standards on Auditing (UK).

(12) **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking, hedging transactions and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

(13) **Auditors**

From 1 September 2016, the auditors of the Issuer and the Guarantors are Deloitte LLP, of 2 New Street Square London EC4A 3BZ, registered to carry on audit work in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

INDEX OF DEFINED TERMS

"**2006 ISDA Definitions**" means the definitions published by the International Swaps and Derivatives Association Inc. to be used in the documentation of interest rate and currency exchange transactions;

"**30/360**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**30E/360**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**30E/360 (ISDA)**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**360/360**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Acceleration of Liabilities**" means acceleration of any Secured Liabilities or termination of a commitment (or equivalent action) including:

(a) early termination of any hedging obligations (whether by reason of an Event of Default, termination event or other right of early termination) under a Hedging Agreement; or

(b) the taking of any other steps to recover any payment due in respect of any Secured Liabilities, which have matured for repayment and are overdue, by a Secured Creditor or Secured Creditors pursuant to the terms of the applicable Finance Document and in accordance with the STID;

"**Acceptable Bank**" means:

(a) a bank or financial institution which has at least the Minimum Short-term Rating from at least two of Fitch, Moody's or S&P; or

(b) any other bank or financial institution approved by the Majority Creditors;

"**Acceptable Investor**" has the meaning given to it in Condition 6.5 (*Guarantor Change of Control Put*);

"**Acceptable Investor Affiliate**" has the meaning given to it in Condition 6.5 (*Guarantor Change of Control Put*);

"**Accession Memorandum**" means:

(a) each of the following memoranda to be entered into pursuant to clause 2 (*Accession*) or clause 24 (*Benefit of Deed*) (as applicable) of the STID:

  (i) in respect of each Additional Secured Creditor, which is substantially in the form set out in part 1 (*Form of Accession Memorandum (Additional Secured Creditor)*) of schedule 1 (*Forms of Accession Memorandum*) to the STID;

  (ii) in respect of each New Secured Creditor, which is substantially in the form set out in part 2 (*Form of Accession Memorandum (Existing Secured Liabilities)*) of schedule 1 (*Forms of Accession Memorandum*) to the STID;

  (iii) in respect of each Additional Obligor, which is substantially in the form set out in part 3 (*Form of Accession Memorandum (Additional Obligors)*) of schedule 1 (*Form of Accession Memorandum*) to the STID; and

  (iv) in respect of a Standstill Cash Manager (other than the Initial Standstill Cash Manager), which is substantially in the form set out in part 1 (*Form of Accession Memorandum (Additional Secured Creditors)*) of schedule 1 (*Form of Accession Memorandum*) to the STID;

(b) with respect to the Trust Deed, a memorandum substantially in the form set out in the relevant schedule of the Trust Deed pursuant to which a Guarantor accedes to the Trust Deed;

"**Account Bank**" means the Initial Account Bank, or any successor account bank appointed pursuant to the Account Bank Agreement;

"**Account Bank Agreement**" means:

(a) the Initial Account Bank Agreement; and

(b) any other account bank agreement entered into by an Obligor and the Account Bank from time to time in accordance with the Finance Documents (including, without limitation, paragraph 1 (Group Accounts) of schedule 6 (Cash Management) to the CTA;

"**Accounting Principles**" means generally accepted accounting principles in the United Kingdom;

"**Accounts**" has the meaning given to such term in clause 1.1 (*Definitions*) of the Account Bank Agreement;

"**Actual/360**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Actual/365 (Fixed)**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Actual/Actual**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Actual/Actual-ICMA**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Actual/Actual-ISDA**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Additional Hedging Agreement**" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by an Obligor and an Additional Hedge Counterparty for the purpose of hedging liabilities after the date of this Prospectus;

"**Additional Indebtedness Test**" means satisfaction of the following conditions prior to the incurrence by an Obligor of additional Financial Indebtedness:

(a) the MidCo RAR calculated by reference to the then most recently occurring Calculation Date, taking into account the proposed additional Financial Indebtedness, must not be more than 0.85:1;

(b) the MidCo Interest Cover Ratio for each Relevant Period, taking into account the proposed additional Financial Indebtedness (and any arrangement or other similar fees), must not be less than 2.0:1.0;

(c) such additional Financial Indebtedness ranks pari passu with the Secured Debt;

(d) no Secured Debt will be contractually or structurally subordinated to such additional Financial Indebtedness;

(e) such additional Financial Indebtedness does not benefit from any guarantee or Security Interest other than pursuant to the Security Documents and the Guarantee;

(f) the creditors (and/or their representative) of such Financial Indebtedness accede to the STID and the CTA as Secured Creditors pursuant to clause 2 (Accession) of the STID, on or prior to the date of initial utilisation in respect of any Obligor in its capacity as borrower of such additional Financial Indebtedness; and

(g) no Event of Default has occurred, or would occur as a result of the incurrence of such additional Financial Indebtedness;

"**Additional Obligor**" means any person wishing or required to become an Obligor who accedes to the Common Terms Agreement in accordance with the Common Terms Agreement and the STID;

"**Additional Secured Creditor**" means any person which becomes a Secured Creditor (whether on their own behalf and/or as a representative of others) pursuant to clause 2 (*Accession*) of the STID;

"**Adjusted Average MidCo Interest Cover Ratio**" means the sum of the ratios of (A) Net Cash Flow less the greater of (a) Depreciation and (b) Capital Maintenance Expenditure for each Relevant Period to (B) MidCo Debt Interest for each of the same Relevant Periods comprised in a Rolling Average Period divided by three;

"**Adjusted MidCo Interest Cover Ratio**" means the ratio of (A) Net Cash Flow less the greater of (a) Depreciation and (b) Capital Maintenance Expenditure for each Relevant Period to (B) MidCo Debt Interest for each of the same Relevant Periods;

"**Adjustment Spread**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**adversely**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Entrenched Rights – Entrenched Rights of Secured Creditors*";

"**Affected Secured Creditor**" has the meaning given to it in clause 8.13 (*Meaning of "affected"*) of the STID;

"**Affiliate**" means in relation to a person, a Subsidiary of that person or a Holding Company of that person and any other Subsidiary of that Holding Company. Notwithstanding the foregoing, in relation to any member of the NatWest Group, the term "Affiliate" shall not include:

(a) the UK government or any member or instrumentality thereof, including His Majesty's Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof); or

(b) any persons or entities controlled by or under common control with the UK government or any member or instrumentality thereof (including His Majesty's Treasury and UK Financial Investments Limited) and which are not part of NatWest Group plc and its subsidiaries or subsidiary undertakings.

For the purposes of this definition, "NatWest Group" means the NatWest Group plc and its subsidiaries and subsidiary undertakings;

"**Agency Agreement**" means the agency agreement dated 21 January 2011 (as amended, supplemented, novated, restated or modified from time to time) between the Issuer, MidCo, PledgeCo, the Note Trustee and the MidCo Agents referred to therein under which, amongst other things, the Issuing and Paying Agent is appointed as issuing and paying agent for the purposes of the Programme;

"**Alternative Clearing System**" means Euroclear, Clearstream, Luxembourg or any other permitted clearing system;

"**Alternative Rate**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Amended and Restated MidCo Facility Agreement (ARFA 1)**" means the facility agreement dated 24 May 2019 between, among others, MidCo as the guarantor, the Issuer as the borrower, the Arrangers (as defined therein) and National Westminster Bank Plc as the agent, as amended and restated pursuant to the Initial MidCo Facility Agreement Amendment and Restatement Agreement (ARA 1);

"**Anglian Water Group**" means AWG Parent Co and its Subsidiaries;

"**Anglian Water Services Financing Group**" means the "ring-fenced" financing group created pursuant to the AWS Financing, which consists of Anglian Water Services Holdings Limited, Anglian Water Services Holdings Limited's wholly-owned Subsidiary, Anglian Water Services UK Parent Co Limited, Anglian Water Services UK Parent Co Limited's wholly-owned Subsidiary, AWS and AWS' wholly-owned Subsidiary, Anglian Water Services Financing Plc (see diagram under the section entitled "*Group Structure of Osprey Investco Limited and its Principal Subsidiaries*");

"**Anglian Water Services Holdings Limited**" means Anglian Water Services Holdings Limited, a United Kingdom incorporated wholly-owned Subsidiary of AWG Group Limited;

"**Applicable Accounting Principles**" means International Financial Reporting Standards (IFRS) or generally accepted accounting principles in the United Kingdom;

"**Applicable Period**" has the meaning given to it in Condition 5.2(c)(C) (*Screen Rate Determination (for SONIA)*);

"**Appointed Business**" means the appointed business of a "relevant undertaker" (as that term is defined in the WIA) carried out by AWS;

"**Arranger**" means BNP PARIBAS;

"**ASIC**" has the meaning given to it in the section "*Subscription and Sale – Selling Restrictions – Australia*";

"**Auditors**" means Deloitte LLP or, if they are unable or unwilling to carry out any action requested of them under the Trust Deed, such other firm of accountants as may be nominated or approved in writing by the Note Trustee for the purpose;

"**Australian dollars"** means the lawful currency of Australia;

"**Authorised Credit Facility**" means any facility or agreement or deed entered into by an Obligor in respect of Secured Debt as permitted by the terms of the CTA, the providers of which are (or, in the case of the Noteholders, the Note Trustee on their behalf is) a party to, or have acceded to, the Master Definitions Agreement, the STID, the CTA and includes, without limitation, the Initial MidCo Facility Agreement, the Bridge Facility Agreement, any Institutional Debt agreements, any PP Note Document, the Hedging Agreements, the Notes and any other document entered into in connection with the foregoing facilities or agreements or the transactions contemplated in the foregoing facilities or agreements (excluding, however, the Dealership Agreement and the Common Documents) that has been designated as an Authorised Credit Facility for the purposes of this definition by the parties thereto (including at least one Obligor) and "**Authorised Credit Facilities**" shall be construed accordingly;

"**Authorised Credit Facility Agent**" means, as the context requires, any or all of the Initial Facility Agent, the Bridge Facility Agent, and any agent appointed in respect of any other Authorised Credit Facility;

"**Authorised Credit Facility Agreement**" means the Initial MidCo Facility Agreement, the Bridge Facility Agreement and any other agreement documenting an Authorised Credit Facility;

"**Authorised Credit Facility Provider(s)**" means a lender or other provider of credit or financial accommodation under any Authorised Credit Facility;

"**Authorised Investments**" means:

(a) securities issued by the government of the United Kingdom;

(b) demand or time deposits, certificates of deposit and short-term unsecured debt obligations, including commercial paper, or other investments with similar liquidity and effective credit quality characteristics to time deposits, provided that the issuing entity or, if such investment is guaranteed, the guaranteeing entity, having at least the Minimum Short-term Rating from at least two of Fitch, Moody's or S&P;

(c) any other obligations provided that in each case the relevant investment has at least the Minimum Short-term Rating from at least two of Fitch, Moody's or S&P;

(d) any other money market funds having the Minimum Short-term Rating from at least two of Fitch, Moody's or S&P; and

(e) any other investment which is an "Authorised Investment" as defined in the OpCo MDA,

in each case denominated in sterling, euros or US Dollars and to which PledgeCo or any other member of the MidCo Group is alone (or together with other members of the MidCo Group) beneficially entitled at that time and which is not issued or guaranteed by PledgeCo or any member of the MidCo Group or subject to any Security (other than Security arising under the Security Documents);

"**AWG Group**" means AWG Parent Co and its Subsidiaries;

"**AWG Group Limited**" means AWG Group Limited (formerly Anglian Water Plc), a company incorporated under the laws of England and Wales and formerly listed on the London Stock Exchange, a wholly-owned Subsidiary of AWG Parent Co Limited;

"**AWG Parent Co**" means AWG Parent Co Limited (formerly AWG Plc), a company incorporated under the laws of England and Wales with registered number 03936645;

"**AWS**" or "**OpCo**" means Anglian Water Services Limited;

"**AWS Base Prospectus**" means the base prospectus in respect of the Anglian Water Services Financing Plc €20,000,000,000 Global Secured Medium Term Note Programme base prospectus dated, and approved by the FCA on 13 October 2026 as from time to time amended, supplemented, updated or replaced;

"**AWS Financing**" means the corporate restructuring and financing implemented in 2002, as described in the *"Risk Factors"* section;

"**AWSF**" or "**OpCo Issuer**" means Anglian Water Services Financing Plc, a company incorporated under the laws of England and Wales with registered number 04330322;

"**AWSH**" means Anglian Water Services Holdings Limited, a company incorporated under the laws of England and Wales with registered number 04330144;

"**AWSUK**" means Anglian Water Services UK Parent Co Ltd, a company incorporated under the laws of England and Wales with registered number 11294507;

"**Bank**" has the meaning given to it in Condition 7.1 (*Bearer Notes*);

"**Base Currency**" means pounds sterling;

"**Bearer Definitive Note(s)**" means a Bearer Note in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Dealer Agreement or any other agreement between the Issuer and the Relevant Dealer(s), the Agency Agreement and the Note Trust Deed in exchange for either a Temporary Bearer Global Note or part thereof or a Permanent Bearer Global Note or part thereof (all as indicated in the applicable Final Terms), such Bearer Note in definitive form being substantially in the form set out in the Note Trust Deed with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Notes may be issued or sold from time to time or as otherwise agreed between the Issuer, the Issuing and Paying Agent, the Note Trustee and the Relevant Dealer(s), and having the Conditions endorsed thereon or, if permitted by the relevant stock exchange, incorporating the Conditions by reference as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue;

"**Bearer Note**" means a Note that is in bearer form, and includes any replacement Bearer Note issued pursuant to the Conditions and any temporary Global Note or permanent Global Note;

"**Belgian Consumer**" has the meaning given to it in the section "*Subscription and Sale – Selling Restrictions – Belgium*";

"**Benchmark**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Benchmark Amendments**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Benchmark Event**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Benchmarks**" has the meaning given to it in paragraph 2.8 (*Regulation and reform of EURIBOR and other "benchmarks" could adversely affect any Notes linked to such "benchmarks"*) of the section "R*isk Factors – Risks relating to the structure of a particular issue of Notes*";

"**Blocking Regulation**" means:

(a) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union); and/or

(b) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018;

"**Board of Ofwat**" means the Board of Ofwat as identified under the Water Act;

"**Bond Basis**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Bridge Facility**" means the term loan facility granted pursuant to the Bridge Facility Agreement;

"**Bridge Facility Agreement**" means the bridge facility agreement between, among others, the Bridge Facility Agent, the Security Trustee, the Bridge Facility Providers and the Obligors dated on 16 June 2021;

"**Bridge Facility Providers**" means the financial institutions listed in part 4 (*Bridge Facility Providers*) of schedule 4 (*Financial Institutions*) of the MDA, each in its capacity as a bridge facility provider under the Bridge Facility Agreement;

"**Broken Amount**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Business**" means the Appointed Business and the Permitted Business;

"**Business Centre**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Business Day**" means (other than in any Hedging Agreement, where "**Business Day**" has the meaning given to it in that Hedging Agreement):

(a) in relation to any sum payable in euro, a TARGET Business Day and a day on which commercial banks and foreign exchange markets settle payments generally in London and each (if any) additional city or cities specified in the relevant Authorised Credit Facility; or

(b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the principal financial centre of the currency in which such financial indebtedness is denominated (which in the case of a payment in US Dollars shall be New York) and in each (if any) additional city or cities specified in the relevant Authorised Credit Facility; or

(c) other than in relation to the making of any payment, a day on which commercial banks and foreign exchange markets settle payments generally in London;

"**Business Day Convention**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**C Rules**" has the meaning given to it in the section "*Overview of the Programme – United States Selling Restrictions*";

"**Calculation Agent**" means Deutsche Bank AG, London Branch as Calculation Agent (or such other Calculation Agent(s) as may be appointed under the Agency Agreement from time to time either generally or in relation to a specific issue or Series of Notes);

"**Calculation Amount**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Calculation Date**" means (other than for the purposes of the Conditions and other than in any Hedging Agreement, where "Calculation Date" has the meaning given to it in the Conditions or the Hedging Agreement as applicable), 31 March and 30 September in each year or any other calculation date agreed as a result of a change in the end date of any Financial Year of any Obligor;

"**Calculation Period**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Canadian Offering Memorandum**" has the meaning given to it in paragraph (f) of the section "*Subscription and Sale – Selling Restrictions – Canada*";

"**Canadian Purchaser**" has the meaning given to it in paragraph (a) of the section "*Subscription and Sale – Selling Restrictions – Canada*";

"**Capital Maintenance Expenditure**" means investment expenditure incurred (or, in respect of any future period, forecast by AWS to be incurred) on maintaining base service levels in the Appointed Business including IRE Expensed but excluding any investment expenditure relating to increases in capacity or enhancement of service levels, quality or security of supply;

"**Cash**" means, at any time, cash denominated in sterling, euro, US Dollars or any other major international currency in hand or at bank and (in the latter case) credited to a bank account in the name of a member of the MidCo Group and to which a member of the MidCo Group is alone (or together with other members of the MidCo Group) beneficially entitled and for so long as:

(a) that cash is repayable on demand;

(b) repayment of that cash is not contingent on the prior discharge of any other Financial Indebtedness of any member of the MidCo Group or of any other person whatsoever or on the satisfaction of any other condition; and

(c) the cash has not accrued as a result of, nor is attributable to, an Overpayment;

"**Cash Collateral**" means with respect to any Tested Debt the relevant borrower crediting a cash amount (in the currency of such Tested Debt) to an account held with the relevant lender from which withdrawals may only be made to make a payment to the relevant lender with respect to amounts due and payable in respect of such Tested Debt and in respect of which the relevant borrower has granted a first ranking security interest in favour of the relevant lender;

"**Cash Manager**" means:

(a) during and after a Standstill Period (except where a Standstill Period is terminated pursuant to clause 18.4.1(iii) (*Termination of Standstill*) of the STID, the Standstill Cash Manager; and

(b) at all other times MidCo;

"**Certificate**" means a registered certificate representing one or more Registered Notes of the same Series and, save as provided in the Conditions, comprising the entire holding by a Noteholder of his Registered Notes of that Series;

"**Classic Global Note**" or "**CGN**" means a classic global note;

"**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January;

"**Clearstream, Luxembourg**" means Clearstream Banking, S.A.;

"**Closing Date**" means the date notified by the Transaction Agent to the Security Trustee as the "Closing Date" being the date on which the relevant Authorised Credit Facility(ies) are utilised for the first time after the Financing Effective Date;

"**COBS**" means the FCA Handbook Conduct of Business Sourcebook;

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended;

"**Commitments**" means:

(a) prior to the taking of Enforcement Action:

  (i) in respect of any Loan Facility, the total commitments under such Loan Facility; and

  (ii) in respect of any series of Notes, the principal amount outstanding (including, if applicable, any accretion due to indexation) under all of such series of Notes; and

(b) following the taking of Enforcement Action:

  (i) in respect of any Loan Facility, the principal amount outstanding under such Loan Facility;

  (ii) in respect of any series of Notes, the principal amount outstanding (including, if applicable, any accretion due to indexation) under all of such series of Notes; and

  (iii) in respect of any Hedging Agreement, the aggregate Positive Value of the Hedging Liabilities under such Hedging Agreement;

"**Common Debt Documents**" has the meaning given to it in the section "*Overview of the Financing Arrangements – MidCo Common Debt Platform*";

"**Common Depositary**" has the meaning given to it in the section "*Summary of Provisions Relating to the Notes While in Global Form – Initial Issue of Notes*";

"**Common Documents**" means:

(a) the Security Documents;

(b) the Common Terms Agreement;

(c) each Account Bank Agreement; and

(d) the Master Definitions Agreement;

"**Common Safekeeper**" means, in relation to a Series where the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the common safekeeper for Euroclear and Clearstream, Luxembourg appointed in respect of such Notes;

"**Common Terms Agreement**" or "**CTA**" means the common terms agreement entered into by each of the Issuer, the Guarantors, the Security Trustee, the Note Trustee and others on 16 June 2021 (as amended);

"**Competitor**" means any person that is, or is an Affiliate or a Related Fund of, a person that is:

(a) a competitor of the MidCo Group in respect of any aspect of any "Appointed Business" under the WIA, provided that no person, a predominant portion of whose business involves banking, insurance,

investment banking, broker/dealer, investment or similar activities (including any person involved in the life insurance business or in the business of the investment of annuities or contributions to pension, retirement, medical or similar plans or arrangements) shall be deemed to be a competitor of the MidCo Group;

(b) an Infrastructure Equity Investment Fund which owns more than 10 per cent. of the equity of a person described in paragraph (a) above, provided that in the case of an Affiliate of such a person, any such Affiliate managed independently of such person will not constitute a "Competitor", and provided further that none of the following persons shall constitute a Competitor:

a lender under an Authorised Credit Facility Agreement or any Affiliate of any such lender; or

"**Compliance Certificate**" means a certificate, substantially in the form of schedule 7 (*Form of Compliance Certificate*) to the CTA in which the Transaction Agent, periodically, provides certain financial statements to the Security Trustee (and any Rating Agency on request) as required pursuant to the terms of the CTA;

"**Compounded Daily SONIA**" has the meaning given to it in Condition 5.2(c)(C) (*Screen Rate Determination (for SONIA)*);

"**Conditions**" means, in respect of the Notes of each Series, the terms and conditions applicable thereto which shall be substantially in the form set out in the section entitled *"Terms and Conditions of the Notes"* in this Prospectus, as modified, with respect to any Notes represented by a Global Certificate or a Global Note, by the provisions of such Global Certificate or Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in Part A of the relevant Final Terms relating to the Notes of that Series and shall be endorsed on the Definitive Notes, subject to amendment and completion and any reference to a particularly numbered Condition shall be construed accordingly;

"**Connected Party**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed - Disenfranchisement of Connected Parties*";

"**Consolidated EBITDA**" means the consolidated operating profit of the Obligors and the MidCo Group:

(a) **before deducting** any amount attributable to depreciation or amortisation;

(b) **before taking into account** any items treated as exceptional or extraordinary items;

(c) **before deducting** any amount of Tax on profits, gains or income paid or payable by any Obligor or another member of the MidCo Group;

(d) **before deducting** any accrued interest, commission, fees, discounts, prepayment penalties or premiums and other finance payments in respect of Tested Debt, whether paid, payable or capitalised by any Obligor or another member of the MidCo Group;

(e) **before taking into account** any accrued interest received, receivable or capitalised to any Obligor or another member of the MidCo Group;

(f) **before taking into account** any realised and unrealised exchange gains and losses including those arising on translation of currency debt;

(g) **after adding back** (to the extent otherwise deducted) any loss against book value incurred by any Obligor or any member of the MidCo Group on the disposal of any asset during the Relevant Period and any loss arising on any revaluation of any asset during the Relevant Period;

(h) **after deducting** (to the extent otherwise included) any gain over book value arising in favour of any Obligor or any member of the MidCo Group on the disposal of any asset during the Relevant Period and any gain arising on any revaluation of any asset during the Relevant Period;

(i) **before deducting** any Transaction Costs;

(j) **after deducting** the amount of any profit of any Obligor or any member of the MidCo Group which is attributable to minority interests;

(k) **after adding back** to the extent not included in the financial statements of the Obligor or any other member of the MidCo Group the amount of any dividends or profit distributions (net of withholding tax) received in cash by any Obligor or any member of the MidCo Group during such Relevant Period from companies which are not Obligors or members of the MidCo Group;

(l) **after deducting** the amount of any profit of any investment or entity (which is not itself an Obligor or a member of the MidCo Group) in which any Obligor or any member of the MidCo Group has an ownership interest to the extent that the amount of such profit included in the financial statements of the Obligors and other members of the MidCo Group exceeds the amount (net of applicable withholding tax) received in cash by the Obligors or other members of the MidCo Group through distributions by such investment or entity, and

(m) **after adding back** the amount of any cash received by the Obligors or other members of the MidCo Group through distribution by any investment or entity (which is not itself an Obligor or a member of the MidCo Group) in which any Obligor or any other member of the MidCo Group has an ownership interest to the extent that the amount of such cash (net of applicable withholding tax) exceeds the amount of profit of such investment or entity included in the financial statements of the Obligors and other members of the MidCo Group,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining profits of the Obligors and the MidCo Group from ordinary activities.

"**Consolidated Net Finance Charges**" means, for any Relevant Period and in respect of the Obligors and other members of the MidCo Group, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment penalties or premiums and other finance payments in respect of Tested Debt whether paid, payable or capitalised in respect of that Relevant Period:

(a) **excluding** any such obligations paid, payable or capitalised to any other Obligor or any other member of the MidCo Group;

(b) **including** the interest element of leasing and hire purchase payments which would, in accordance with the Applicable Accounting Principles as in force at 31 March 2017, be treated as a finance or capital lease (other than a lease or hire purchase contract which would be treated (in whole or in part) as a finance or capital lease under such Applicable Accounting Principles and would not have been so treated under Applicable Accounting Principles prior to the introduction of International Financial Reporting Standards 16 as applied as at 1 April 2019);

(c) **including** any accrued commission, fees, discounts and other finance payments payable by the relevant Obligor or relevant member of the MidCo Group under any interest rate hedging arrangement;

(d) **deducting** any accrued commission, fees, discounts and other finance payments owing to the relevant Obligor or relevant member of the MidCo Group under any interest rate hedging instrument;

(e) **deducting** any interest paid or payable to the relevant Obligor or relevant member of the MidCo Group on any deposit or bank account or on any Authorised Investments;

(f) **excluding** any Transaction Costs;

(g) **excluding** any interest (capitalised or otherwise) in respect of any Subordinated Debt;

(h) **excluding** any indexation of principal in respect of any index-linked Tested Debt forming part of Consolidated Total Net Debt;

(i) **excluding** any non-cash interest charge in respect of any pensions deficit under any Pension Scheme in respect of which any Obligor or any member of the MidCo Group has any actual or contingent liability;

(j) **excluding** any accounting fair value gains or losses arising under International Financial Reporting Standards in respect of any interest rate hedging agreements; and

(k) **excluding** any amortisation of fees, costs and expenses incurred in connection with the raising of any Tested Debt.

For the avoidance of any doubt any repayment or prepayment of principal in respect of any Tested Debt or any amounts in respect of accretion shall not form part of Consolidated Net Finance Charges;

"**Contribution Notice**" means a contribution notice issued by the Pensions Regulator under section 38 or section 47 of the Pensions Act 2004;

"**Controlled Group**" means each member of the Non-Regulated Group and each Obligor;

"**Corporations Act**" means the Corporations Act 2001 of Australia;

"**Coupon(s)**" means an interest coupon appertaining to a Bearer Definitive Note, such coupon being:

(a) if appertaining to a Fixed Rate Note or a Floating Rate Note, in the form or substantially in the form scheduled to the Note Trust Deed or in such other form, having regard to the terms of issue of the Notes of the relevant Tranche, as may be required in any jurisdiction in which a particular Tranche of Notes may be issued or sold from time to time or as otherwise agreed between the Issuer, the Issuing and Paying Agent, the Note Trustee and the Relevant Dealer(s); or

(b) if appertaining to a Bearer Definitive Note which is neither a Fixed Rate Note nor a Floating Rate Note, in such form as may be required in any jurisdiction in which a particular Tranche of Notes may be issued or sold from time to time or as otherwise agreed between the Issuer, the Issuing and Paying Agent, the Note Trustee and the Relevant Dealer(s),

and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to the Conditions of the relevant Notes;

"**Couponholder**" has the meaning given to it in the Conditions;

"**Covenants**" means the covenants set out in schedule 2 (*Covenants*) to the CTA;

"**Currency Hedging Agreement**" means each Hedging Agreement with a Hedge Counterparty in respect of one or more Hedging Transactions to hedge against exposure to currency exchange rates;

"**D Rules**" has the meaning given to it in the section "*Overview of the Programme – United States Selling Restrictions*";

"**Day 1 Minimum Rating**" has the meaning given to it in the Hedging Policy in schedule 5 (*Hedging Policy*) to the CTA;

"**Day Count Fraction**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Dealer**" means each of the Dealers;

"**Dealer Agreement**" or "**Dealership Agreement**" means the agreement which may be entered into after the Closing Date between, amongst others, the Obligors and the Dealers named therein (or deemed named therein) concerning the purchase of Notes to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing and novating or modifying such agreement and any accession letters and/or agreements supplemental thereto;

"**Dealers**" means Bank of China Limited, London Branch, Barclays Bank PLC, BNP PARIBAS, Canadian Imperial Bank of Commerce, London Branch, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities plc, Lloyds Bank Corporate Markets plc, Morgan Stanley & Co. International plc, NatWest Markets Plc, SMBC Bank International plc and any other entity which the Issuer and the Guarantors may appoint as a dealer in accordance with the Dealership Agreement;

"**Debt Service Reserve Account**" means an account:

(a) held in England by the Issuer with an Account Bank or an Acceptable Bank;

(b) identified in the Account Bank Agreement (or notified pursuant to its terms) as the Debt Service Reserve Account; and

(c) subject to Security granted in favour of the Security Trustee in form and substance satisfactory to the Security Trustee (acting reasonably); and

(d) from which no withdrawals may be made except as permitted pursuant to the Common Terms Agreement or the STID,

and includes any sub-account relating to that account and any replacement account from time to time;

"**decision**" has the meaning given to it in paragraph 3.3 (*Potential disenfranchisement of Noteholders*) of the section "*Risk Factors – Risks related to the Notes generally*";

"**Decision Period**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Specific Consent Matters – Decision Period*";

"**Default**" means:

(a) an Event of Default;

(b) a Trigger Event; or

(c) a Potential Event of Default;

"**Default Situation**" means any period during which there subsists an Event of Default;

"**Definitive Note**" means a Bearer Note in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached on issue and, unless the context requires otherwise, means a Certificate (other than a Global Certificate) and includes any replacement Note or Certificate issued pursuant to the Conditions;

"**Depreciation**" means, in relation to any period of time, the "total RCV run-off" (or other term(s) used to mean the depreciation charges applicable to the RAV) in respect of such period (interpolated as necessary) as last determined and notified to AWS by Ofwat at the most recent "Periodic Review" (as defined in the Instrument of Appointment) or other procedure through which from time to time Ofwat may make such determination on an equally definitive basis to that of such a "Periodic Review";

"**Designated Maturity**" has the meaning given to it in Condition 5.2(c)(A) (*ISDA Determination for Floating Rate Notes*);

"**Designated Website**" has the meaning given to it in paragraph 11.2.1 (*Use of Websites*) of part 1 (*Information Covenants*) of schedule 2 (*Covenants*) to the CTA;

"**Determination Date**" means the date which is five Business Days prior to each Payment Date;

"**Determination Dissenting Creditors**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Modifications, Consents and Waivers – STID Voting Request*";

"**Determination Dissenting Notice**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Modifications, Consents and Waivers – STID Voting Request*";

"**Determination Period**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Direction Notice**" has the meaning given to it in clause 14.2.1 (*Request for Direction*) of the STID;

"**Director General**" means the Director General of Water Services appointed under Section 1 of the Water Industry Act 1991;

"**Discretion Matter**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Discretion Matters*";

"**Disposal**" means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions);

"**Dissenting Notice**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Modifications, Consents and Waivers – STID Voting Request*";

"**Distressed Debt Fund**" means any trust, fund or other entity or division which is or would reasonably be recognised or categorised as a "distressed debt fund" or analogous term by reputable institutions which are participants in the financial markets. Distressed Debt Fund will be construed so as to include the debt trading desk (or equivalent) operated by a bank or financial institution (but only that debt trading desk (or equivalent)), where that trading desk would be engaging in trading for or on behalf of an entity which itself constitutes a Distressed Debt Fund and shall include any pass-through or structured finance vehicles in whatever legal form which are used by a Distressed Debt Fund in any way to derive economic benefit of any kind;

"**Distribution**" means any:

(a) declaration, making or payment of any dividend, charge, fee, any amount by way of intercompany loan or Subordinated Debt, or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital); or

(b) repayment or distribution of any dividend or share premium reserve;

"**distributions**" where the context so requires, has the meaning given to it in paragraph 1.3 (AWS is subject to certain restrictions in paying dividends as part of its covenant-based ring-fencing, which may limit the amount of funds available to MidCo) of the section "*Risk Factors – Risks relating to the Issuer and the Guarantors - Corporate Structure and Financing Considerations*";

"**Distribution Account**" means the transaction account referred to in schedule 1 (*Accounts*) to the Account Bank Agreement;

"**distributor**" has the meaning given to it in the section "*Important Notices*";

"**Dual Currency Note**" has the meaning given to it in Condition 5.2(c)(G) (*Dual Currency Notes*);

"**Early Redemption Amount**" has the meaning given to it in the Conditions;

"**Early Termination Date**" means a termination date in respect of the Hedging Transactions determined in accordance with the relevant Hedging Agreement;

"**EEA**" means the European Economic Area;

"**Effective Date**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**EIN Signatories**" has the meaning given to it in Condition 12.1 (*Decisions of Majority Creditors*);

"**Emergency Instruction Notice**" has the meaning given to it in Condition 12.1 (*Decisions of Majority Creditors*);

"**EMMI**" means European Money Markets Institute;

"**Enforcement Action**" means:

(a) in relation to any Secured Liabilities:

(i) the acceleration of any Secured Liabilities (including any Acceleration of Liabilities) or the making of any declaration that any Secured Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Secured Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Finance Documents);

(ii) the making of any declaration that any Secured Liabilities are payable on demand;

(iii) the making of a demand in relation to a Secured Liability that is payable on demand;

(iv) the making of any demand against any Obligor in relation to any Guarantee of that Obligor;

(v) the exercise of any right to require any Obligor to acquire any Secured Liability (including exercising any put or call option against any Obligor for the redemption or purchase of any Secured Liability);

(vi) the exercise of any right of set-off, account combination or payment netting against any Obligor in respect of any Secured Liabilities other than the exercise of any such right which is expressly permitted under any Hedging Agreement or any other Finance Document; and

(vii) the suing for, commencing or joining of any legal or arbitration proceedings against any Obligor to recover any Secured Liabilities;

(b) the premature termination or close-out of any Hedging Transaction under any Hedging Agreement (other than pursuant to a Permitted Hedge Termination);

(c) the taking of any steps to enforce or require the enforcement of any Security (including the crystallisation of any floating charge forming part of the Security);

(d) the entering into of any composition, compromise, assignment or arrangement with any Obligor which owes any Secured Liabilities, or has given any Security, guarantee or indemnity or other assurance against loss in respect of the Secured Liabilities; or

(e) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to, the winding-up, dissolution, administration or reorganisation of any Obligor which owes any Secured Liabilities, or has given any Security, guarantee, indemnity or other assurance against loss in respect of any of the Secured Liabilities, or any Obligor's assets or any suspension of payments or moratorium of any indebtedness of any such Obligor, or any analogous procedure or step in any jurisdiction;

"**Enforcement Order**" means an enforcement order, a final enforcement order or a provisional enforcement order, each as referred to and defined in the WIA;

"**Enterprise Act**" means the Enterprise Act 2002 which received Royal Assent on 7 November 2002, and any subsequent amendments thereto;

"**Entrenched Right Determination**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Entrenched Rights*";

"**Entrenched Right Dissenting Notice**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Entrenched Rights*";

"**Enhanced Rights Matter**" has the meaning given to such term in clause 8.9 (*Procedure for Enhanced Rights Matters*) of the STID;

"**Entrenched Rights**" means the rights of the Secured Creditors provided by schedule 2 (*Entrenched Rights*) to the STID and summarised in the section entitled *"Overview of the Key Documents – Security Trust and Intercreditor Deed – Enhanced Rights"* of this Prospectus;

"**Equity Cure Account**" means an account:

(a) held in England by MidCo with an Account Bank or an Acceptable Bank;

(b) identified in a letter between the Transaction Agent and the Security Trustee as the Equity Cure Account;

(c) subject to Security granted in favour of the Security Trustee in form and substance satisfactory to the Security Trustee (acting reasonably); and

(d) which may be credited with any Event of Default Equity Cure Amount and from which no withdrawals can be made except as permitted pursuant to the Common Terms Agreement or the STID,

and includes any sub-account relating to that account and any replacement account from time to time;

"**Equivalent Amount**" means the amount in question expressed in the terms of the Base Currency, calculated on the basis of the Exchange Rate;

"**ERISA**" means the United States' Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect;

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that is treated as a single employer together with any Obligor under section 414 of the Internal Revenue Code;

"**EU**" means the European Union;

"**EU Benchmarks Regulation**" means Regulation (EU) 2016/1011 (as amended);

"**EU CRA Regulation**" means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended);

"**EU EMIR**" means Regulation (EU) 648/2012 of the European Parliament and of the Council of OTC derivatives, central counterparties and trade repositories dated 4 July 2012;

"**EU Green Bond Standard Regulation**" means Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (including supplemental delegated regulations thereto);

"**EU PRIIPs Regulation**" means Regulation (EU) No 1286/2014;

"**EU Securitisation Regulation**" means Regulation (EU) 2017/2402;

"**EU Taxonomy Regulation**" means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (including the supplemental delegated regulations thereto);

"**EURIBOR**" means the Euro-zone Inter-Bank Offered Rate;

"**Euro**" or "**€**" means the currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time;

"**Eurobond Basis**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Euroclear**" means Euroclear Bank SA/NV;

"**Eurosystem**" means the European Central Bank and the national central banks of EU Member States that have adopted the Euro;

"**EUWA**" means the European Union (Withdrawal) Act 2018 (as amended);

"**Event of Default**" means (other than in any Hedging Agreement when used in relation to a Hedge Counterparty, where "**Event of Default**" has the meaning given to it in that Hedging Agreement) an event specified as such in schedule 4 (*Events of Default*) to the CTA;

"**Events of Default**" means the Events of Default listed in schedule 4 (*Events of Default*) to the CTA and in Condition 10 (*Events of Default*);

"**EVM Majority Creditors**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Extraordinary Voting Matters*";

"**Excess Principal Amount**" has the meaning given to it in paragraph (xvii)(b) of the section "*Overview of the Key Documents – Common Terms Agreement – Covenants – General Covenants*";

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its Issue Date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located;

"**Exchange Rate**" means the spot rate at which the Non-Base Currency is converted to the Base Currency as determined by MidCo as at 11:00 a.m.

(a) for the purposes of clause 8.7 (*Procedure for Voting Matters – STID Voting Request*) of the STID on the date that the STID Voting Request is dated; or

(b) on the date as of which calculation of the Equivalent Amount of the Outstanding Principal Amount is required, and in each case, as notified by the relevant Secured Creditor Representative to the Security Trustee; or

(c) on the date as of which any calculation of the Equivalent Amount is required;

"**Exercise Notice**" has the meaning given to it in Condition 6.6 (*Redemption at the Option of Noteholders*);

"**Extension Period**" has the meaning given to such term in clause 8.2.7 (*Minimum Requirements of STID Proposal*) of the STID;

"**External Verifier**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Extraordinary Resolution**" has the meaning, in relation to the Notes, set out in part A (*Provisions for Meetings of Noteholders*) of schedule 3 (*Meeting and Voting Provisions*) to the Trust Deed;

"**Extraordinary Voting Matter**" has the meaning given to such term in Clause 8.10.1 (*Extraordinary Voting Matters*) of the STID;

"**FATCA**" means (a) sections 1471 through 1474 of the Internal Revenue Code and any associated regulations, (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above, and (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

"**FCA**" means the Financial Conduct Authority;

"**Fee Letter**" has the meaning given to that term in an Authorised Credit Facility Agreement;

"**Final Redemption Amount**" has the meaning given to it in the Conditions;

"**Final Terms**" means, in relation to a Tranche, the Final Terms issued specifying the relevant issue details of such Tranche, substantially in the form set out in the section entitled "*Form of Final Terms*" in this Prospectus;

"**Finance Documents**" means:

(a) the Security Documents;

(b) any PP Note Documents;

(c) the Trust Deed;

(d) the Notes issued under the Programme, from time to time (including the applicable Final Terms);

(e) the Hedging Agreements and any other credit support or collateral documentation entered into in connection therewith or pursuant thereto;

(f) the CTA;

(g) the Issuer/MidCo Loan Agreement;

(h) the Initial MidCo Facility Agreement;

(i) Amended and Restated MidCo Facility Agreement (ARFA 1);

(j) Initial MidCo Facility Agreement Amendment and Restatement Agreement (ARA 1);

(k) Initial MidCo Facility Agreement Amendment and Restatement Agreement (ARA 2);

(l) the Bridge Facility Agreement;

(m) each Account Bank Agreement;

(n) any other Authorised Credit Facility Agreement;

(o) the Agency Agreement;

(p) the Issuer/ICSD Agreement;

(q) the Master Definitions Agreement;

(r) any Fee Letter;

(s) any Compliance Certificate;

(t) until the expiry of the Transition Period, the Legacy Intercreditor Agreement;

(u) each Accession Memorandum;

(v) each agreement or other instrument between (amongst others) an Obligor and an Additional Secured Creditor designated as a Finance Document by such Obligor, the Security Trustee and such Additional Secured Creditor in the Accession Memorandum for such Additional Secured Creditor in each case as such document may be amended, varied, supplemented, novated or replaced as permitted by the CTA; and

(w) any amendment and/or restatement agreement relating to any of the above documents;

"**Financial Indebtedness**" means (without double counting) any indebtedness (other than indebtedness owed by PledgeCo or any other member of the MidCo Group to another member of the MidCo Group or PledgeCo) for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Principles, be treated as a finance or capital lease (other than a lease or hire purchase contract which would be treated (in whole or in part) as a finance lease or capital lease under such Applicable Accounting Principles and would not have been so treated under Applicable Accounting Principles prior to the introduction of International Financial Reporting Standards 16 as applied at 1 April 2019);

(e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the amount (if any) that is recorded as a debt obligation in the most recent financial statements of PledgeCo or any other relevant member of the MidCo Group as at the time of the calculation (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, indemnity, note, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount raised by the issue of redeemable shares which are capable of being redeemed by the holders thereof prior to the Final Discharge Date;

(i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 120 days after the date of supply;

(j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and

(k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above;

"**Financial Instruments and Exchange Act**" has the meaning given to it in the section "*Subscription and Sale – Selling Restrictions – Japan*";

"**Financial Ratio Event of Default**" means an Event of Default pursuant to part 1 (*Events of Default*) of paragraph 10 (*Breach of Financial Covenants*) of schedule 4 (*Events of Default*) to the CTA;

"**Financial Statements**" means, at any time, the most recent financial statements (excluding, for the avoidance of doubt, in the case of OpCo, regulatory accounts) of an Obligor or OpCo (as applicable), consolidated where applicable, most recently delivered to the Security Trustee;

"**Financial Support Direction**" means a financial support direction issued by the Pensions Regulator under section 43 of the Pensions Act 2004;

"**Financial Year**" means, subject to paragraph 15 (*Bank Accounts*) of part 2 (*General Covenants*) of schedule 2 (*Covenants*) to the CTA, each period of four consecutive financial quarters ending on 31 March in each year;

"**Financing Effective Date**" has the meaning given to it in the Initial MidCo Facility Agreement Amendment and Restatement Agreement (ARA 2);

"**FinSA**" has the meaning given to it in the section "*Subscription and Sale – Selling Restrictions – Switzerland*";

"**Fitch**" means Fitch Ratings Ltd.;

"**Fixed Coupon Amount**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Fixed Rate Note**" has the meaning given to it in Condition 5.1 (*Interest on Fixed Rate Notes*);

"**Floating Rate**" has the meaning given to it in Condition 5.2(c)(A) (*ISDA Determination for Floating Rate Notes*);

"**Floating Rate Note**" has the meaning given to it in Condition 5.2(a) (*Interest on Floating Rate Notes*);

"**Floating Rate Option**" has the meaning given to it in Condition 5.2(c)(A) (*ISDA Determination for Floating Rate Notes*);

"**foreign passthru payments**" has the meaning given to it in paragraph 2 (*Payments in respect of the Guarantee*) of the section "*Taxation – United Kingdom Taxation*";

"**FSMA**" means the Financial Services and Markets Act 2000, as amended from time to time;

"**Fund**" has the meaning given to it in Condition 6.5 (*Guarantor Change of Control Put*);

"**GHG**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Global Certificate**" means a Certificate representing Registered Notes of one or more Tranches of the same Series that are registered in the name of a nominee for one or more clearing systems;

"**Global Certificates**" means Global Certificates in the plural;

"**Global Note**" means a temporary Global Note and/or, as the context may require, a permanent Global Note, a CGN and/or a NGN, as the context may require;

"**Governmental Agency**" has the meaning given to it in paragraph 9.1 (*Nationalisation*) of schedule 4 (*Events of Default*) to the CTA;

"**Gross Redemption Yield**" has the meaning given to it in Condition 6.2(ii)(A) (*Fixed Rate Notes*);

"**Group**" means PledgeCo, MidCo and the Issuer;

"**Group Structure Chart**" means the group structure chart in agreed form;

"**Guarantee**" has the meaning given to it on the cover page;

"**Guarantor**" means MidCo and PledgeCo (together the "**Guarantors**");

"**Guarantor Change of Control**" has the meaning given to it in Condition 6.5 (*Guarantor Change of Control Put*);

"**Hedge Counterparties**" means any counterparty to a Hedging Agreement who is or becomes a party to the STID and who is or becomes a party to the CTA and accordingly agrees to be bound by the Hedging Policy, and "**Hedge Counterparty**" means any such counterparty;

"**Hedge Fund**" means a pooled investment vehicle or similar entity that is or would reasonably be recognised or categorised as a "hedge fund" or analogous term by reputable institutions which are participants in the financial markets. Hedge Fund will be construed so as to include "vulture funds" and any pass-through or structured finance vehicles in whatever legal form which are used by a Hedge Fund in any way to derive economic benefit of any kind;

"**Hedging Agreements**" means any ISDA Master Agreement (including the schedule and (if any) the credit support annex thereto, and any Hedging Transaction thereunder) entered, or to be entered into, by an Obligor (other than PledgeCo) with a Hedge Counterparty in accordance with the Hedging Policy, each of which is individually a "**Hedging Agreement**";

"**Hedging Liabilities**" means the Liabilities owed by the Issuer or MidCo to the Hedge Counterparties under or in connection with the Hedging Agreements;

"**Hedging Policy**" means the policy set out in schedule 5 (*Hedging Policy*) to the CTA for the purpose of hedging exposures to currency exchange and interest rate fluctuations;

"**Hedging Transactions**" means any Transaction (as defined in the relevant Hedging Agreement) entered into pursuant to a Hedging Agreement with respect to the Secured Debt or any other Transaction governed by a Hedging Agreement and entered into with an Obligor in accordance with the Hedging Policy;

"**Holdco**" means Osprey Holdco Limited, a private limited company incorporated in England and Wales with registered number 05915869;

"**Holding Company**" means a company which holds the majority of voting rights in another company, or is a member of such company and has the right to appoint or remove a majority of its board of directors or to control

the exercise of a majority of voting rights (either alone or in concert), or which is a direct or indirect holding company of a company which is itself the holding company of that other company;

"ICSD" means International Central Securities Depositories;

"**IFBT**" means IFBT Company Pty Ltd (Australian Company Number 119748060);

"**IGAs**" has the meaning given to it in paragraph 2 (*Payments in respect of the Guarantee*) of the section "*Taxation – United Kingdom Taxation*";

"**Independent Adviser**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Independent Director**" means any person who is neither a director or employee of any Sponsor nor an executive director of AWS;

"**Independent Review**" means an independent review contemplated in paragraph 3 (*Independent Review*) of part 2 (*Trigger Event Consequences*) of schedule 3 (*Trigger Events*) to the CTA;

"**Infrastructure Equity Investment Fund**" means an entity, a predominant portion of whose business involves making equity investments in infrastructure assets (but excluding, for the avoidance of doubt, any entity whose activities are solely the making, purchasing or investing in loans or debt securities or purely passive equity investments in infrastructure and which is an Affiliate or a Related Fund of an Infrastructure Equity Investment Fund but is managed or controlled independently from such Infrastructure Equity Investment Fund or has established procedures which will prevent confidential information supplied to such entity from being transmitted or otherwise made available to such Infrastructure Equity Investment Fund);

"**Initial Account Bank**" means Barclays Bank PLC;

"**Initial Facility**" has the meaning given to the term "Facility" in the Initial MidCo Facility Agreement;

"**Initial Facility Agent**" means National Westminster Bank plc;

"**Initial Investor Affiliate**" has the meaning given to it in Condition 6.5 (*Guarantor Change of Control Put*);

"Initial Investors" has the meaning given to it in Condition 6.5 (*Guarantor Change of Control Put*);

"**Initial Issue Date**" means the date of the first issue of Notes under the Programme following the entry in the STID;

"**Initial Mandated Lead Arrangers**" means the institutions listed in Part 1 (*Initial Mandated Lead Arrangers*) of Schedule 2 (*Financial Institutions*) to the Initial MidCo Facility Agreement;

"**Initial Margin**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Initial MidCo Facility Agreement**" means the facility agreement between, among others, the Obligors, the Arrangers, the Initial Facility Agent, the Initial RCF Facility Providers and the Initial Term Facility Providers as amended and restated pursuant to the Initial MidCo Facility Agreement Amendment and Restatement Agreement (ARA 2);

"**Initial MidCo Facility Agreement Amendment and Restatement Agreement (ARA 1)**" means the amendment and restatement agreement in respect of the 2019 Facility Agreement and made between, among others, MidCo as the guarantor, the Issuer as the borrower, the Arrangers (as defined therein) and National Westminster Bank Plc as the agent dated 15 June 2021;

"**Initial MidCo Facility Agreement Amendment and Restatement Agreement (ARA 2**)" means the amendment and restatement agreement in respect of the Amended and Restated MidCo Facility Agreement

(ARFA 1) and made between, among others, the Obligors, the Arrangers and the Initial Facility Agent dated 16 June 2021;

"**Initial Rate of Interest**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Initial RCF Facility**" has the meaning given to "Facility A" in the Initial MidCo Facility Agreement;

"**Initial RCF Facility Providers**" means the financial institutions listed in Part 3 (*Initial RCF Facility Providers*) of Schedule 2 (*Financial Institutions*) of the MDA, each in its capacity as an initial RCF facility provider under the Initial RCF Facility;

"**Initial Standstill Cash Manager**" means Barclays Bank PLC;

"**Initial Term Facility**" has the meaning given to the terms "Facility B" and "Facility C" in the Initial MidCo Facility Agreement;

"**Initial Term Facility Providers**" means the financial institutions listed in Part 2 (*Initial Term Facility Providers*) of Schedule 2 (*Financial Institutions*) of the MDA, each in its capacity as an initial term facility provider under the Initial Term Facility;

"**Insolvency Act**" means the Insolvency Act 1986;

"**Insolvency Event**" means, in respect of any person:

(a) the initiation of or consent to Insolvency Proceedings by such person or any other person or the presentation of a petition or application for the making of an administration order and, in the opinion of the Security Trustee, such proceedings are not being disputed in good faith with a reasonable prospect of success or which are frivolous or vexatious and discharged, stayed or dismissed within 30 days of commencement or, if earlier, the date on which it is advanced;

(b) the giving of notice of appointment of an administrator or the making of an administration order or an administrator being appointed in relation to such person;

(c) an encumbrancer (or other similar official) taking possession of the whole or any part of the undertaking or assets of such person;

(d) any distress, execution, attachment or other similar process being levied or enforced or imposed upon or against the whole or any substantial part of the undertaking or assets of such person and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;

(e) the making of an arrangement, compromise, composition, scheme of arrangement, reorganisation with or conveyance to or assignment for the creditors of such person generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such person generally;

(f) the passing by such person of an effective resolution or the making of an order by a court of competent jurisdiction for the winding-up, liquidation or dissolution of such person, a winding up for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Security Trustee;

(g) the appointment of an Insolvency Official in relation to such person or in relation to the whole or any substantial part of the undertaking or assets of such person;

(h) save as permitted in the STID, the cessation or suspension of payment of its debts generally or a public announcement by such person of an intention to do so;

(i) save as provided in the STID, a moratorium is declared in respect of any indebtedness of such person; or

(j) (if the person is AWS) the making of a Special Administration Order in respect of AWS;

"**Insolvency Official**" means, in respect of any company, a liquidator, provisional liquidator, administrator, energy administrator, administrative receiver, receiver or manager, nominee, supervisor, trustee, conservator, guardian, monitor or other similar official appointed in respect of such company or in respect of all or any part of the company's assets or in respect of any arrangement or composition with creditors;

"**Insolvency Proceedings**" means, in respect of any company, the winding-up, liquidation, dissolution or administration of such company, or any equivalent or analogous proceedings under the law of the jurisdiction in which such company is incorporated or of any jurisdiction in which such company, carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, special administration, arrangement, adjustment, protection or relief of debtors;

"**Institutional Debt**" means any debt advanced by an institutional investor to MidCo or the Issuer from time to time, which, for the avoidance of doubt, includes any PP Note Document;

"**Instruction Notice**" has the meaning given to it in clause 14.1.1 (*Qualifying Secured Creditor Instruction Notices*) of the STID;

"**Instrument of Appointment**" or "**Licence**" means the instrument of appointment dated August 1989 under sections 11 and 14 of the Water Act 1989 (as in effect on 1 September 1989) under which the Secretary of State for the Environment appointed AWS as a water and sewerage undertaker under that Act for the areas described in the Instrument of Appointment, as modified or amended from time to time;

"**Insurance Distribution Directive**" has the meaning given to it in the section "*Important Notices*";

"**Intercreditor Agreement**" has the meaning given to it in the section "*Overview of the Financing Arrangements*";

"**Intercreditor Arrangements**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – General*";

"**Interest Accrual Period**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Interest Amount**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Interest Commencement Date**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Interest Determination Date**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Interest Payment Date**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Interest Period**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Interest Period Date**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Investment Grade**" means a rating of at least BBB- by Fitch, BBB- by S&P or Baa3 by Moody's (or any replacement notation therefor, or such equivalent ratings by any other internationally recognised credit rating agency);

"**Investor KYC Condition**" has the meaning given to it in Condition 6.5 (*Guarantor Change of Control Put*);

"**Investors Report**" means each report to be delivered by the Transaction Agent within 150 days after the end of each Financial Year, substantially in the form set out in schedule 8 (*Form of Investors Report*) to the CTA;

"**ISDA**" means the International Swaps and Derivatives Association Inc.;

"**ISDA Benchmark Supplement**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**ISDA Definitions**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**ISDA Master Agreement**" means an agreement in the form of the 2002 ISDA Master Agreement (Multi-Currency Cross Border) or any successor thereto published by ISDA, unless otherwise agreed by the Security Trustee, acting in accordance with the STID;

"**ISDA Rate**" has the meaning given to it in Condition 5.2(c)(A) (*ISDA Determination for Floating Rate Notes*);

"**Issue Date**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Issuer**" means Anglian Water (Osprey) Financing Plc;

"**Issuer/ICSD Agreement**" means the issuer/ICSD agreement which may be entered into on or about the date of the issuance of the Notes between the Issuer and the clearing system

"**Issuer/MidCo Loan**" means the loans pursuant to the Issuer/MidCo Loan Agreements;

"**Issuer/MidCo Loan Agreements**" means the respective loan agreements to be entered into between the Issuer and MidCo for the purpose of the Issuer on lending to MidCo the proceeds of each issue of Notes or issue of PP Notes by the Issuer (each a "**Issuer/MidCo Loan Agreement**");

"**Issuing and Paying Agent**" means Deutsche Bank AG, London Branch as issuing and paying agent (or such other Issuing and Paying Agent as may be appointed from time to time under the Agency Agreement);

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity that is not a Subsidiary;

"**KPIs**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**LBD**" has the meaning given to "London Banking Day" in this Index;

"**Legal Reservations**" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under applicable statutes of limitation, the possibility that an undertaking to assume liability for or to indemnify a person against non-payment of stamp duty may be void and defences of set-off or counterclaim;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions delivered under, pursuant to and in accordance with the Finance Documents;

"**Legacy Financing Platform**" has the meaning given to it in the section "*Overview of the Financing Arrangements*";

"**Legacy Intercreditor Agreement**" has the meaning given to it in the section "*Overview of the Financing Arrangements*";

"**Legacy Secured Creditors**" has the meaning given to it in the section "*Overview of the Financing Arrangements*";

"**Lenders**" has the meaning given to it in Condition 6.5 (*Guarantor Change of Control Put*);

"**Liability**" or "**Liabilities**" means any loss, damage cost, charge, claim, demand, expense, judgement, action, proceedings or other liability whatsoever (including in respect of taxes, duties, levies, imposts and other charges including in each case, any related costs, fines, penalties or interest (if any) but excluding any Excluded Tax)) and legal fees and properly incurred expenses on a full indemnity basis;

"**Licence**" shall have the same meaning as Instrument of Appointment;

"**Loan Facility**" means a loan facility made available to the Issuer or MidCo;

"**Loan Note**" means a loan note issued by MidCo pursuant to the Loan Note Document;

"**Loan Note Document**" means the loan note instrument issued by MidCo dated 30 November 2006 pursuant to which the Loan Notes are, or are to be, constituted and the security over cash agreement pursuant to which MidCo secures its obligations in respect of the Loan Notes;

"**London Banking Day**" has the meaning given to it in Condition 5.2(c)(C) (*Rate of Interest for Floating Rate Notes*);

"**London Stock Exchange**" means The London Stock Exchange Plc;

"**Majority Creditors**" has the meaning given to such term in clause 8.11.1 (*Binding Decisions of Qualifying Secured Creditor Representatives*) of the STID;

"**Majority Secured Creditors**" has the meaning given to it in Condition 3.4 (*Enforceable Security*);

"**Make-Whole Amount**" means the "Make-Whole Amount" as defined in any Note Purchase Agreement relating to the PP Notes and any amount above par payable on redemption of any Secured Debt except where such amount is limited to accrued interest;

"**Margin**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Market**" means the Main Market of the London Stock Exchange;

"**Master Definitions Agreement**" or "**MDA**" means the master definitions agreement dated 16 June 2021 as amended or restated from time to time between, among others, Midco, the Issuer and Deutsche Trustee Company Limited;

"**Material Adverse Effect**" means a material adverse effect on or material adverse change in:

(a) the financial condition, assets, prospects or business of any Obligor or the consolidated financial condition, assets, prospects or business of the MidCo Group or the Obligors taken as a whole; or

(b) the ability of any Obligor to perform and comply with its obligations under any Finance Document; or

(c) the validity or enforceability of any Finance Document, or the validity, legality or enforceability of any Security created or expressed to be created pursuant to any of the Common Documents or on the priority and ranking of any of that Security;

"**materially prejudicial**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Discretion Matters*";

"**Matter Determination**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Modifications, Consents and Waivers – STID Voting Request*";

"**Maturity Date**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Maximum Redemption Amount**" has the meaning given to it in the Conditions;

"**Member State**" means any of the member states of the European Union;

"**Members Equity**" means Members Equity Bank Pty Ltd (ABN 56 070 887 679);

"**MidCo**" means Osprey Acquisitions Limited;

"**MidCo Agent**" or "**MidCo Agents**" means each of the Issuing and Paying Agent, the Registrar, the Transfer Agent, the Paying Agent or any other agent appointed by the Issuer pursuant to the Agency Agreement;

"**MidCo Common Debt Platform**" has the meaning given to it in the section "*Overview of the Financing Arrangements – MidCo Common Debt Platform*";

"**MidCo Debt Interest**" means, in relation to any Relevant Period, and without double counting, an amount equal to the aggregate of all interest paid, due but unpaid or, in respect of forward looking ratios, payable, by the Obligors and the OpCo Obligors on the obligations under or in connection with all Tested Debt during such Relevant Period (after taking account of the impact on interest rates of all related hedging arrangements then in force) (excluding all indexation of principal to the extent it has been included in such interest or other amounts) and excluding amortisation of the costs of issue of any Tested Debt within such Relevant Period and all other costs incurred in connection with the raising of such Tested Debt less all interest received or in respect of forward looking ratios receivable by any member of the MidCo Group from a third party during such period;

"**MidCo Group**" means MidCo and its Subsidiaries for the time being;

"**MidCo Interest Cover Ratio**" means the ratio of Consolidated EBITDA to Consolidated Net Finance Charges;

"**MidCo Net Indebtedness**" means, as at any date, all OpCo, OpCo Issuer's and each Obligor's nominal debt outstanding under and in connection with any Tested Debt and any nominal amounts of Financial Indebtedness falling within paragraph (i) of the definition of "Permitted Financial Indebtedness" including, in each case, all indexation accrued but unpaid (after taking account of the impact on interest rates of all hedging arrangements (including Hedging Agreements) then in force) on any such liabilities which are indexed together with any interest due and unpaid (after taking account of the impact on interest rates of all hedging arrangements (including Hedging Agreements) in force) and less the value of all Cash and Authorised Investments held by PledgeCo or any other member of the MidCo Group (where such debt is denominated other than in pounds sterling, the nominal amount outstanding will be calculated (i) in respect of debt with associated currency hedging agreements (including Currency Hedging Agreements), by reference to applicable hedge rates; or (ii) in respect of debt with no associated currency hedging agreements, by reference to the Exchange Rate;

"**MidCo Obligors Security Agreement**" means the fixed and floating security agreement dated 16 June 2021 granted by MidCo, the Issuer and PledgeCo in favour of the Security Trustee;

"**MidCo RAR**" means the ratio of MidCo Net Indebtedness to RAV;

"**MidCo-only Director**" means any person who is neither an employee or a director of any Shareholder or any parent company of PledgeCo, nor an executive director of AWS;

"**MiFID II**" means the Directive 2014/65/EU (as amended);

"**MiFID Product Governance Rules**" means the Product Governance rules under EU Delegated Directive 2017/593;

"**Minimum Redemption Amount**" has the meaning given to it in the Conditions;

"**Minimum Short-term Rating**" means:

(a) in respect of (i) any person, such person's short term unsecured and unsubordinated debt obligations being rated; or (ii) any instrument, such instrument being rated, in the case of Moody's, "**Prime-2**"; in the case of S&P, "**A-2**"; and, in the case of Fitch, "**F2**" or their respective equivalents from time to time; or

(b) in respect of any person or instrument, such lower rating levels notified in writing by the Issuer to the Security Trustee which, in the opinion of the Issuer having discussed with the relevant Rating Agencies, would not lead to any downgrade or the placing on credit watch negative (or equivalent) of the then current ratings ascribed to any Secured Debt,

provided that, in each case, no rating shall be required from any such Rating Agency that is not then rating any of the Secured Debt;

"**Modification Certificate**" has the meaning given to it in paragraph (a) of the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Specific Consent Matters – Consequential Amendments, Consents and Waivers*";

"**Moody's**" means Moody's Investors Service Limited;

"**Natural Household Water Abstraction**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Natural Household Water Abstraction Baseline**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Natural Household Water Abstraction SPT**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Natural Household Water Abstraction SPT(a)**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Natural Household Water Abstraction SPT(b)**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Net Cash Flow**" means in respect of a Relevant Period, the aggregate of net cash flow from operating activities as shown in the consolidated financial statements of MidCo (after adding back, without double counting and to the extent that such items are included in net cash flow from operating activities, any exceptional items, any customer rebates, any recoverable VAT, any capital maintenance expenditure and any movement in debtors and/or creditors relating to capital expenditure and IRE Expensed) minus corporation tax paid;

"**Net Operational Carbon Emissions**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Net Operational Carbon Emissions Baseline**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Net Operational Carbon SPT**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Net Operational Carbon SPT(a)**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Net Operational Carbon SPT(b)**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**New Global Note**" or "**NGN**" means new global note;

"**New Safekeeping Structure**" or "**NSS**" means the new safekeeping structure which applies to Registered Notes held in global form by a Common Safekeeper for Euroclear and Clearstream, Luxembourg and which is required for such Registered Notes to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations;

"**New Secured Creditor**" has the meaning given to it in the relevant Accession Memorandum;

"**NGN**" has the meaning given to "New Global Note" in this Index;

"**NI 31-103**" has the meaning given to it in paragraph (b) of the section "*Subscription and Sale – Selling Restrictions – Canada*";

"**NI 45-106**" has the meaning given to it in paragraph (d) of the section "*Subscription and Sale – Selling Restrictions – Canada*";

"**Non-Regulated Group**" means MidCo and each of its Non-Regulated Subsidiaries;

"**Non-Regulated Subsidiary**" means any Subsidiary of MidCo other than any OpCo Obligor;

"**Note Documents**" means the Notes, the Trust Deed, the Issuer/MidCo Loan Agreements, the Dealership Agreement and the Agency Agreement and any Note Hedging Agreement;

"**Note Hedging Agreement**" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Issuer and a Note Hedge Counterparty for the purpose of hedging interest rate liabilities in relation to Notes;

"**Note Purchase Agreement**" means the note purchase agreement pursuant to which the Issuer issues PP Notes from time to time;

"**Note Trustee**" means Deutsche Trustee Company Limited at the date of this Prospectus and, where the context so admits, includes any other note trustee for the time being appointed pursuant to the Trust Deed;

"**Note Trustee Appointee**" means any attorney, manager, agent, delegate, nominee, custodian or other person appointed by the Note Trustee under the Note Trust Deed;

"**Noteholder**" has the meaning given to it in the Conditions;

"**Note(s)**" means the medium-term notes to be issued by the Issuer pursuant to the Dealership Agreement, guaranteed by the Guarantors, constituted by the Trust Deed and for the time being outstanding or, as the context may require, a specific number of them;

"**Notification Date**" means a date falling on or before the earlier of: (a) the date falling 15 days after the Verification Publication Date; and (b) 31 July in each calendar year;

"**NSS**" has the meaning given to "New Safekeeping Structure" in this Index;

"**Obligor**" means the Issuer or the Guarantors;

"**Official List**" means the official list of the FCA;

"**Ofwat**" or "**Regulator**" means the Water Services Regulation Authority for England and Wales, including any successor body or office;

"**One Way Treasury Transaction**" means a Treasury Transaction entered into by any Obligor pursuant to which the relevant Obligor has not and shall never have any exposure to the counterparty to such Treasury Transaction (as a result of the net effect of the payment flows under such Treasury Transaction);

"**OpCo Common Terms Agreement**" or "**OpCo CTA**" means the common terms agreement dated 30 July 2002 (as amended and/or restated from time to time) between, among others, the OpCo Obligors and Deutsche Trustee Company Limited;

"**OpCo Deed Poll**" means the deed poll to be granted by certain OpCo Obligors pursuant to which they agree to, inter alia, restrictions on further incurrence of Class B Debt under the OpCo CTA and the OpCo STID and the granting of additional financial covenants in favour of secured creditors of the OpCo Obligors;

"**OpCo Event of Default**" means any event defined as an "Event of Default" under the OpCo Common Terms Agreement and the OpCo MDA;

"**OpCo Group**" means OpCo and the other OpCo Obligors;

"**OpCo MDA**" means the Master Definitions Agreement dated 30 July 2002 (as amended on 2 October 2006 and as further supplemented or amended from time to time) between, among others, the OpCo Obligors and Deutsche Trustee Company Limited;

"**OpCo Obligors**" means OpCo, AWSH, AWSF and AWSUK;

"**OpCo RAR**" means the ratio of OpCo Senior Net Indebtedness to RAV;

"**OpCo Senior Net Indebtedness**" means, as at any date, all the OpCo Issuer's and AWS's nominal debt outstanding under and in connection with any Class A Debt (as defined in the OpCo MDA) and Class B Debt (as defined in the OpCo MDA) and any nominal unsecured amounts of Financial Indebtedness incurred by OpCo or the OpCo Issuer, including, in each case, all indexation accrued but unpaid (after taking account of the impact on interest rates of all related hedging agreements then in force) on any such liabilities which are indexed together with any interest due and unpaid (after taking account of the impact on interest rates of all related hedging agreements then in force) and less the value of all Cash and Authorised Investments and other amounts standing to the credit of any bank account of the OpCo Obligors other than the Customer Payment Account (as defined in the OpCo MDA) or the Distributions Accounts (as defined in the OpCo MDA) (where such debt is denominated other than in pounds sterling, the nominal amount outstanding will be calculated (i) in respect of debt with associated currency hedging agreements, by reference to applicable hedge rates; or (ii) in respect of debt with no associated currency hedging agreements, by reference to the Exchange Rate);

"**OpCo STID**" means the security trust and intercreditor deed dated 30 July 2002 (as amended and/or restated from time to time) between, among others, the OpCo Obligors and Deutsche Trustee Company Limited;

"**Optional Redemption Amount**" has the meaning given to it in the Conditions;

"**Optional Redemption Date**" has the meaning given to it in the Conditions;

"**Ordinary Decision**" has the meaning given to it in Condition 3.4 (*Enforceable Security*);

"**Ordinary Voting Matter**" has the meaning given to such term in Clause 8.10.2 (*Ordinary Voting Matters*) of the STID;

"**Original Reference Rate**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Other Finance Document**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Reserved Matters*";

"**Out-turn Inflation**" means, in respect of any period for which the relevant indices have been published, the actual inflation rate (or rates) applicable to such period determined by reference to movements in any applicable index (or indices) as specified by the Regulator from time to time;

"**Outstanding Principal Amount**" means, as at any date that the same falls to be determined:

(a) in respect of the Notes, the principal amount outstanding (or Equivalent Amount) of such Notes;

(b) in respect of any PP Notes, the principal amount outstanding (or the Equivalent Amount) of such PP Notes;

(c) in respect of each Hedging Transaction arising under a Hedging Agreement:

(i) in respect of which an Early Termination Date (as defined in the relevant Hedging Agreement) has been designated, the amount (if any) outstanding to the relevant Hedge Counterparty following such termination (as calculated in accordance with the terms of the Hedging Agreement);

(ii) if the Hedge Counterparty is otherwise entitled under the relevant Hedging Agreement and the Common Documents to designate an Early Termination Date (as defined in the relevant Hedging Agreement), the Equivalent Amount as calculated by the Hedge Counterparty and notified in writing by the Hedge Counterparty to the Security Trustee (representing the mark to market value of any Hedging Transactions arising under such Hedging Agreement) of the amount (if any) which would be payable to the relevant Hedge Counterparty if any Early Termination Date (as defined in the relevant Hedging Agreement) was designated on such date; or

(iii) otherwise, zero;

(d) in respect of any other Secured Liabilities, the Equivalent Amount of the outstanding principal amount of such Secured Liabilities on such date in accordance with the relevant Finance Documents,

all as most recently certified or notified to the Security Trustee, pursuant to clause 12.1 (*Notification of Outstanding Principal Amount of Qualifying Secured Debt*) of the STID;

"**Overpayment**" means any amount recovered from customers by any OpCo Obligor in respect of any Financial Year in excess of any limit prescribed by the Regulator in respect of such period;

"**OVM Majority Creditors**" has the meaning given to it in the section "*Overview of the Key Documents – Security Trust and Intercreditor Deed – Ordinary Voting Matters*";

"**Page**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Paying Agent**" means Deutsche Bank AG, London Branch as paying agent (or such other Paying Agent(s) as may be appointed from time to time under the Agency Agreement);

"**Payment Priorities**" has the meaning given to it in the section "*Overview of the Key Documents – Common Terms Agreement – Cash Management – Accounts*";

"**Pension Schemes**" means the Anglian Water Group Pension Scheme and the Morrison Pension and Life Assurance Plan;

"**Pensions Regulator**" means the body corporate called the Pensions Regulator established under Part I of the Pensions Act 2004;

"**Perimeter**" means the regulated activity of Anglian Water Services Limited;

"**Periodic Review**" means the periodic review of K (as that term is defined in the Instrument of Appointment) as provided for in Part III of Condition B of the Instrument of Appointment and includes for the avoidance of doubt any redetermination by the Competition and Markets Authority (or any successor);

"**Permanent Bearer Global Note**" means a global note in the form or substantially in the form scheduled to the Note Trust Deed with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Notes may be issued or sold from time to time or as otherwise agreed between the Issuer, the Issuing and Paying Agent, the Note Trustee and the Relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Bearer Notes of the same Tranche, issued by the Issuer pursuant to the Dealer Agreement or any other agreement between the Issuer and the Relevant Dealer(s) relating

to the Programme, the Agency Agreement and the Note Trust Deed either on issue or in exchange for the whole or part of any Temporary Bearer Global Note issued in respect of such Bearer Notes;

"**Permanent Dealers**" means all Dealers in respect of the Programme and excludes those appointed as such solely in respect of one or more specified Tranches;

"**permanent Global Note**" means a Global Note representing Bearer Notes of one or more Tranches of the same Series, either on issue or upon exchange of a temporary Global Note, or part of it;

"**Permitted Financial Indebtedness**" means Financial Indebtedness:

(a) arising under any of the Finance Documents;

(b) arising pursuant to Refinancing Indebtedness (as defined in the Bridge Facility Agreement);

(c) arising under a Permitted Guarantee or Permitted Loan;

(d) arising pursuant to a Permitted Transaction;

(e) prior to the expiry of the Transition Period, arising pursuant to the Existing Finance Documents (as defined in the MDA);

(f) arising under any netting or set-off arrangements permitted pursuant to paragraph (d) of the definition of Permitted Security Interest, the maximum aggregate net amount of which does not exceed £10,000,000;

(g) the following Financial Indebtedness which is subject to the Additional Indebtedness Test:

(i) in the case of MidCo or the Issuer, debt under the issue of one or more Tranche of Notes or debt under PP Notes; or

(ii) in the case of MidCo or the Issuer, further debt incurred under any Authorised Credit Facility after the Closing Date;

(together, "**Additional Debt**");

(h) the following Financial Indebtedness which is not subject to the Additional Indebtedness Test:

(i) any Additional Debt which is raised for the purpose of refinancing existing Financial Indebtedness, the incurrence of which will not have the effect of increasing MidCo RAR;

(ii) Financial Indebtedness incurred under a Treasury Transaction provided that such Treasury Transaction is (to the extent applicable) entered into in compliance with paragraph 11 (*Hedging*) of part 2 (*General Covenants*) of schedule 2 (*Covenants*) to the CTA;

(iii) any Subordinated Debt; and

(iv) such other Financial Indebtedness incurred with the consent of the Security Trustee, acting in accordance with the STID; and/or

(i) any unsecured Financial Indebtedness provided that it does not exceed £15 million (indexed) at any time;

"**Permitted Guarantee**" means:

(a) any guarantee arising under any Finance Document or, until the expiry of the Transition Period, any Existing Finance Document (as defined in the MDA);

(b) any guarantee of the obligations of or in favour of a Permitted Joint Venture;

(c) the endorsement of negotiable instruments in the ordinary course of trade;

(d) any parent company guarantee or performance or similar bond in each case guaranteeing performance by a member of the Controlled Group under any contract entered into in the ordinary course of trade and any counter-indemnity in respect of any such bond;

(e) any guarantee given in respect of any deficit in any Pension Scheme to the extent that such Pension Scheme is for the benefit of any directors, officers or employees of any member of the Controlled Group;

(f) any guarantee or counter-indemnity given in respect of the Secondary Tax Liability, the outstanding principal amount of which does not exceed £60,000,000 (or its equivalent) in aggregate for the Controlled Group at any time;

(g) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to any cash management, netting or set-off arrangement entered into by any member of the Controlled Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Controlled Group;

(h) any guarantee permitted by the definition of Permitted Financial Indebtedness;

(i) any customary indemnity given under the terms of any sale and purchase agreement to any purchaser of an asset, provided that such indemnity is capped at an amount not exceeding the consideration received in respect of such asset; and

(j) any guarantee not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed £40,000,000 (or its equivalent) in aggregate for the Controlled Group at any time;

"**Permitted Hedge Termination**" means the termination of a Hedging Agreement in accordance with that Hedging Agreement subject always to the provisions of the Hedging Policy;

"**Permitted Joint Venture**" means any investment in any Joint Venture where:

(a) the Joint Venture is established in the European Union or the United Kingdom;

(b) the Joint Venture is engaged in a business substantially the same as that carried on by the MidCo Group; and

(c) in any Financial Year, the aggregate of:

i. all amounts subscribed for shares in, lent to, or invested in all such Joint Ventures by any member of the Controlled Group;

ii. the contingent liabilities of any member of the Controlled Group under any guarantee given in respect of the liabilities of any such Joint Venture; and

iii. the book value of any assets transferred by any member of the Controlled Group to any such Joint Venture,

does not exceed the aggregate of (i) amounts required in order to fulfil any contractual commitments as at the date of the Master Definitions Agreement; (ii) £20,000,000 (or its equivalent in other currencies); and (iii) amounts equal to receipts by the Controlled Group from Joint Ventures during such Financial Year which are capable of reinvestment (and, for these purposes, the amount of any contingent liabilities referred to in paragraph (c)(ii) above shall be considered a receipt where, during the relevant Financial Year, the relevant guarantee either (A) is returned to the member of the Controlled Group that issued that

guarantee or on whose behalf that guarantee was issued or (B) ceases to be a guarantee pursuant to which a claim may be made);

"**Permitted Loan**" means:

(a) any trade credit extended by a member of the Controlled Group to its customers on normal commercial terms and in the ordinary course of its trading activities;

(b) a loan made by a member of the Controlled Group to any member of the MidCo Group;

(c) any Financial Indebtedness where a member of the Controlled Group is a creditor to a Permitted Joint Venture;

(d) a loan made by a member of the Controlled Group to an employee or director of any member of a member of the Controlled Group if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Controlled Group does not exceed £2,000,000 (or its equivalent) at any time;

(e) any loan made pursuant to any Finance Document and, until the expiry of the Transition Period, the Existing Finance Documents (as defined in the MDA);

(f) any loan made by the Issuer to MidCo pursuant to the Issuer/MidCo Loan Agreement; and

(g) any loan not otherwise permitted above (other than a loan made by one member of the MidCo Group to another member of the MidCo Group) if the amount of that loan when aggregated with the amount of all other loans does not exceed £2,000,000 (or its equivalent) at any time;

"**Permitted Payments**" means:

(a) the application of moneys credited to the MidCo Operating Accounts in accordance with the Payment Priorities;

(b) in the case of any OpCo Obligor, payments pursuant to and in accordance with any contracts entered into with any other person in the ordinary course of business not prohibited by the Common Documents;

(c) payments pursuant to a Permitted Tax Loss Transaction;

(d) payments pursuant to the Managed Services Agreement provided that such amounts do not exceed £20,000,000 (indexed) (or equivalent) in aggregate per Financial Year;

(e) payments made by any member of the MidCo Group pursuant to an Outsourcing Agreement;

(f) provided that no Event of Default and no Trigger Event is outstanding, a payment or payments of management fees, auditors' fees and/or holding company expenses of up to £3 million (indexed) (or equivalent) in aggregate per Financial Year;

(g) payments from any Obligor to any member of the Controlled Group; and/or

(h) payments to TopCo and/or the Anglian Water Group in relation to salary costs and other bona fide costs incurred by the MidCo Group in the ordinary course of business;

"**Permitted Security Interest**" means:

(a) any Security Interest arising under any Finance Document (including any Security Document) and the Existing Finance Documents (as defined in the MDA);

(b) any Security Interest granted by a Guarantor with respect to any Cash Collateral provided to the security trustee for the holders of the Notes;

(c) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Controlled Group;

(d) any cash management, netting or set-off arrangement entered into by any member of the Controlled Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Controlled Group;

(e) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by a member of the Controlled Group for the purpose of:

(i) hedging any risk to which any member of the Controlled Group is exposed in its ordinary course of trading; or

(ii) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only, excluding, in each case, any Security Interest under a credit support arrangement in relation to a hedging transaction;

(f) any Security Interest over or affecting any asset acquired by a member of the Controlled Group after the date hereof if:

(i) the Security Interest was not created in contemplation of the acquisition of that asset by a member of the Controlled Group;

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that company; and

(iii) the Security Interest is removed or discharged within six months of the date of acquisition of such asset;

(g) any Security Interest over or affecting any asset of any company which becomes a member of the Controlled Group after the date hereof, where the Security Interest was created prior to becoming a member of the Controlled Group if:

(i) the Security Interest was not created in contemplation of the acquisition of that company;

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that company by a member of the Controlled Group; and

(iii) the Security Interest is removed or discharged within six months of that company becoming a member of the Controlled Group;

(h) any Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Controlled Group in the ordinary course of trading and not arising as a result of any default or omission by any member of the Controlled Group;

(i) any Security Interest arising as a result of a disposal which is not prohibited by the terms of the Finance Documents;

(j) any cash collateral required from time to time (i) in respect of any performance bond or guarantee, subject to the aggregate amount of such cash collateral not exceeding £10,000,000 (or its equivalent) at any time; and (ii) in respect of the Secondary Tax Liability;

(k) any Security Interest permitted under the terms of the Common Documents;

(l) any Security Interest specified in schedule 6 (Cash Management) to the CTA, if the principal amount thereby secured is not increased;

(m) any Security Interest arising in connection with any of the following Financial Indebtedness incurred by any Non-Regulated Subsidiary:

(i) any Financial Indebtedness incurred in respect of finance or capital leases of vehicles, plant, equipment or computers, which in aggregate amount does not exceed £10,000,000; and

(ii) any other Financial Indebtedness pursuant to which the creditors (and/or their representative) of such Financial Indebtedness do not accede to the STID as Secured Creditors on or prior to the advancing of funds which in aggregate amount does not exceed £10,000,000; or

(n) any Security Interest securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security Interest given by any member of the Controlled Group other than any permitted under paragraphs (a) to (m) above) does not exceed £5,000,000 (or its equivalent in other currencies);

"**Permitted Share Issue**" means:

(a) in respect of PledgeCo, making any issue of shares to its immediate parent company and recording share premiums in relation to such share issuance;

(b) in respect of MidCo, making any issue of shares to PledgeCo and recording share premiums in relation to such share issuance;

(c) in respect of the Issuer, making any issue of shares to MidCo and recording share premiums in relation to such share issuance; and

(d) in respect of any member of the Controlled Group (other than the Obligors), making any issue of shares to any other member of the Controlled Group and recording share premiums in relation to such share issuance;

"**Permitted Share Pledge Acceleration**" has the meaning given to such term in clause 16.10 (*Permitted Share Pledge Acceleration*) of the STID;

"**Permitted Tax Loss Transactions**" means any transaction, agreement or arrangement relating to the allocation of Taxes, Tax benefits or Tax reliefs between members of the Wider Group including (without limitation) by way of the surrender of losses, the surrender of Tax refunds, the surrender of relievable Tax, the ability to allocate or reallocate a profit or loss for Tax purposes, or the ability to allocate or reallocate any liability to settle Tax;

"**Permitted Transaction**" means:

(a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security or Quasi-Security given, or other transaction arising, under or in connection with the Finance Documents or until the expiry of the Transition Period, the Existing Finance Documents (as defined in the MDA);

(b) any transaction permitted by paragraph 1 (*Restricted Business*) of part 2 (*General Covenants*) of schedule 2 (*Covenants*) to the CTA;

(c) the solvent liquidation of any member of the MidCo Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation are distributed to other members of the MidCo Group and, in the case of the solvent liquidation, removal, striking off, winding up (and any associated corporate steps required to facilitate such action) of any Non-Regulated Subsidiary (including

any dormant companies) provided that no Material Adverse Effect is likely to occur as a result of such action;

(d) any transactions (other than (i) any sale, lease, license, transfer or other disposal in circumstances where such sale, lease, license, transfer or other disposal is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset and (ii) the granting or creation of Security Interest or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms;

(e) any transaction in relation to the acquisition of the retail part of the business of AWS, or in relation to the separation (by contract or otherwise) of part of such business, in each case where such transaction is in direct consequence of or otherwise in connection with the introduction of retail competition in the water markets in England, provided that such acquisition:

(i) could not reasonably be expected to have a Material Adverse Effect; and

(ii) takes place following a change of law or regulation effecting such introduction of retail competition in the water markets in England;

(f) any corporate reconstruction of the Obligors or other members of the MidCo Group (including, but not limited to any capital reduction of an Obligor or any other member of the MidCo Group, the insertion of any new holding companies or any tax restructurings) provided that the Obligors continue to comply with the financial covenants set out in paragraph 1 (*Financial ratios*) of part 1 (*Trigger Events*) of schedule 3 (*Trigger Events*) to the CTA and part 1 (*Events of Default*) of paragraph 10 (*Breach of Financial Covenants*) of schedule 4 (Events of Default) to the CTA; and

(g) any arrangement or contract constituted by or pursuant to any other transaction expressly permitted under the terms of the Finance Documents or the Existing Finance Documents (as defined in the MDA);

(h) any loan arising by way of a declared but unpaid Restricted Payment;

(i) any Permitted Tax Loss Transaction;

(j) making any contribution to any Pension Schemes;

(k) the payment and/or recharge of any costs and expenses related solely to head office or other central overhead costs:

(i) made by any Obligor or any member of the MidCo Group to any Obligor or any member of the MidCo Group;

(ii) made by any Obligor or any member of the MidCo Group to any member of the Wider Group (excluding the MidCo Group), provided such payments may only be made if a Trigger Event is not continuing and would not result from such payment; or

(iii) received by any Obligor or any member of the MidCo Group from any person;

(l) the removal, waiver, cancellation or prepayment of any intra-group loan arrangement where such action could not reasonably be expected to have a Material Adverse Effect;

(m) the disposal of any asset of the Controlled Group (including the disposal of any member of the Controlled Group other than the Obligors), provided that such action could not reasonably be expected to have a Material Adverse Effect;

(n) the provision of any insurance in respect of risks related to the Wider Group by any captive insurance company owned by the Midco Group where such action could not reasonably be expected to have a Material Adverse Effect;

(o) any disposal made, Financial Indebtedness incurred, guarantee, indemnity or Security or Quasi-Security given, payment of any distributions, dividends or amounts in respect of inter-company loans, any waiver, write-off or capitalisation in respect of inter-company loans or any other transaction between (i) any Obligor or any member of the MidCo Group on the one hand; or (ii) any Obligor or any member of the MidCo Group on the other hand;

(p) the carrying out of all activities, actions and corporate acts by the Controlled Group prior to the Closing Date, including pursuant to the Existing Finance Documents (as defined in the MDA), provided that such activity, if carried out after the Closing Date, would not result in a Potential Event of Default occurring;

(q) any Permitted Share Issue; and/or any other transaction agreed to by the Security Trustee (acting at the direction of the Majority Creditors in accordance with the STID);

"**PledgeCo**" means Osprey Investco Limited;

"**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024 (as amended);

"**Positive Value**" means in respect each Hedge Counterparty, the positive amount (if any) due to that Hedge Counterparty from the Issuer or MidCo (as applicable) following termination of the relevant Hedging Agreements due to Enforcement Action;

"**Potential Event of Default**" means an event or circumstance that would, with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 10 (*Events of Default*), become an Event of Default;

"**Potential Trigger Event**" means any event which, with the lapse of time and/or the giving of any notice and/or the making of any determination (in each case where the lapse of time and/or giving of notice and/or determination is provided for in the terms of such Trigger Event, and assuming no intervening remedy or waiver), would become a Trigger Event;

"**PP Note Documents**" means the Note Purchase Agreement and each of the relevant PP Notes;

"**PP Noteholders**" means the institutions which hold PP Notes from time to time;

"**PP Notes**" means any other privately placed notes issued by the Issuer from time to time under and pursuant to a Note Purchase Agreement;

"**PRIIPs Regulation**" means Regulation (EU) No 1286/2014 (as amended);

"**Principal**" has the meaning given to it in Condition 8 (*Taxation*);

"**Priority Service Register**" has the meaning given to it in the section "*Description of the Relevant Sustainability Targets*";

"**PRM**" means the FCA Handbook Prospectus Rules: Admission to Trading on a Regulated Market sourcebook;

"**Proceedings**" has the meaning given to it in Condition 18 (*Governing Law and Jurisdiction*);

"**Proceeds**" means the aggregate of all receipts or recoveries by the Security Trustee or any receiver appointed by it pursuant to, or upon enforcement of, any of the rights under the STID and the other Security Documents relating to the Security after deducting (to the extent not already deducted or retained prior to such receipt or

recovery by the Security Trustee) all sums which the Security Trustee is required under the Finance Documents or by applicable law to pay to any other person before distributing any such receipts or recoveries to any of the Secured Creditors;

"**Programme**" means the £10,000,000,000 guaranteed secured medium term note programme established by the Issuer and listed on the Market;

"**Programme Documents**" means the Dealership Agreement, the Trust Deed and the Agency Agreement;

"**Programme Limit**" means the maximum aggregate nominal amount of Notes that may be issued and outstanding at any time under the Programme, as such limit may be increased pursuant to the Dealership Agreement;

"**Prospectus**" means any prospectus or offering circular prepared by or on behalf of, and approved by, the Issuer in connection with the establishment of the Programme and/or the issue of the Notes;

"**Prospectus Regulation**" means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant Member State;

"**PSR**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**PSR Adoption Baseline**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**PSR Adoption SPT(a)**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**PSR Adoption SPT(b)**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Put Exercise Notice**" has the meaning given to it in Condition 6.5 (*Guarantor Change of Control Put*);

"**Qualified Purchaser**" has the meaning given to it in the section "*Subscription and Sale – Selling Restrictions – United States*";

"**Qualifying Lender**" means:

(a) a lender which is beneficially entitled (in the case of a Treaty Lender within the meaning of the relevant Treaty) to interest payable to that lender in respect of an advance under a Finance Document and is:

(i) a lender:

(1) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the Corporation Tax Act 2009; or

(2) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or

(ii) a lender which is:

(1) a company resident in the United Kingdom for United Kingdom tax purposes;

(2) a partnership each member of which is:

(a) a company so resident in the United Kingdom; or

(b) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of Section 19 of the Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the Corporation Tax Act 2009; or

(3) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of Section 19 of the Corporation Tax Act 2009) of that company; or

(iii) a Treaty Lender; or

(b) a lender which is a building society (as defined for the purpose of section 880 of the ITA) making an advance under a Finance Document;

"**Qualifying Secured Creditor**" means:

(a) in the case of all Voting Matters other than Extraordinary Voting Matters, in respect of an Authorised Credit Facility, the Authorised Credit Facility Providers under such Authorised Credit Facility (but excluding always the Noteholders and the Hedge Counterparties);

(b) in the case of Extraordinary Voting Matters:

(i) in respect of an Authorised Credit Facility (other a Hedge Agreement), the Authorised Credit Facility Providers under such Authorised Credit Facility including the Noteholders (acting through their Secured Creditor Representative); and

(ii) in respect of the Hedge Agreements, the Hedge Counterparties, provided that the Hedge Counterparties may only vote and be Qualifying Secured Creditors (x) in respect of any Extraordinary Voting Matter to take Enforcement Action under any Security Agreement and (y) after the termination of a Standstill Period (other than due to a Standstill Remedy),

provided always that any trustee of or in respect of, or holder (or their custodian or nominee) of the Existing Notes (as defined in the MDA) shall not be a Qualifying Secured Creditor until such time as they have agreed to be bound by the terms of the Common Terms Agreement and the STID;

"**Qualifying Secured Creditor Representative**" means each Secured Creditor Representative in respect of a Qualifying Secured Creditor;

"**Qualifying Secured Debt**" means the aggregate Outstanding Principal Amount of Secured Debt owed to a Qualifying Secured Creditor;

"**Quasi-Security**" means any arrangement to:

(a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the MidCo Group Obligor or any Non-Regulated Subsidiary;

(b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset;

"**Rate of Interest**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Rating Agencies**" means Fitch, S&P and Moody's;

"**RAV**" means, in relation to any date, the regulated asset value for such date as last determined and notified to AWS by the Director General at the most recent Periodic Review or IDOK or other procedure through which in future the Director General may make such determination on an equally definitive basis to that of a Periodic Review or IDOK (interpolated as necessary and adjusted as appropriate for Out-turn Inflation);

"**RCF Facility**" or "**RCF Facilities**" means the Initial RCF Facility and any other revolving credit facility made available under an Authorised Credit Facility Agreement after the Closing Date;

"**RCF Facility Provider(s)**" means the Initial RCF Facility Providers and any other lender under a RCF Facility who has acceded to the Common Documents as an Additional Secured Creditor;

"**Receipts**" means a receipt attached on issue to a Bearer Definitive Note redeemable in instalments for the payment of an instalment of principal, such receipt being substantially in the form scheduled to the Note Trust Deed or in such other form as may be required in any jurisdiction in which a particular Tranche of Notes may be issued or sold from time to time or as otherwise agreed between the Issuer, the Issuing and Paying Agent, the Note Trustee and the Relevant Dealer(s) and includes any replacements for Receipts issued pursuant to the Conditions of the relevant Notes;

"**Record Date**" has the meaning given to it in Condition 7.2(ii) (*Registered Notes and Record Date*);

"**Redemption Amount**" means the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, all as defined in the Conditions;

"**Reference Banks**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Reference Date**" has the meaning given to it in Condition 6.2(ii)(A) (*Fixed Rate Notes*);

"**Reference Gilt**" has the meaning given to it in Condition 6.2(ii)(A) (*Fixed Rate Notes*);

"**Reference Look Back Period**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Reference Period**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Register**" means the register maintained by the Registrar;

"**Registered Holder**" means the person in whose name a Registered Note is registered;

"**Registered Note**" means those of the Notes which are for the time being in registered form;

"**Registrar**" means Deutsche Bank Luxembourg S.A. as registrar (or such other Registrar as may be appointed under the Agency Agreement either generally or in relation to a specific Series of Notes);

"**Regulation S**" means the Regulation S adopted under the Securities Act;

"**Related Fund**" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager

or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund;

"**Relevant Date**" has the meaning given to it in Condition 8 (*Taxation*);

"**Relevant Debt**" means, as at the relevant point in time, any term Tested Debt of the Obligors only (other than any Subordinated Debt), that is outstanding or, in respect of a future point in time, only to the extent projected to be outstanding in the relevant period. For avoidance of doubt any amounts drawn under any RCF Facility or any Bridge Facility shall be excluded from this definition;

"**Relevant Financial Centre**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Relevant Historic Period**" means in respect of all Calculation Dates, the 12 month period ending on 31 March in the then current year;

"**Relevant Jurisdiction**" means, in relation to an Obligor:

(a) its jurisdiction of incorporation;

(b) any jurisdiction where any asset subject to or intended to be subject to the Security to be created by it is situated; and

(c) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it;

"**Relevant Nominating Body**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Relevant Period**" means:

(a) any applicable Financial Ratio Event of Default only, each Relevant Historic Period; and

(b) in all other circumstances, the Test Period;

"**Relevant Rate**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Relevant RP Period**" means in respect of a particular date, the later of: (a) the period of 12 months from such date; and (b) the period from such date until the day prior to the next Periodic Review Effective Date;

"**Relevant Time**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Remedial Plan**" means any remedial plan agreed by the Issuer and the Security Trustee under part 2 (*Trigger Event Consequences*) of schedule 3 (*Trigger Events*) to the CTA;

"**Representative Amount**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Required Balance (18 Months)**" means, on any day the aggregate of the next 18 months' interest and other finance charges (but excluding any indexation of principal) forecast to be due on the Secured Debt (after taking into account any Hedging Agreement then in place) as determined by the Issuer;

"**Required Balance (6 Months)**" means, on any day the aggregate of the next 6 months' interest and other finance charges (but excluding any indexation of principal) forecast to be due on the Secured Debt (after taking into account any Hedging Agreement then in place) as determined by the Issuer;

"**Resale Restriction Termination Date**" has the meaning given to it in the section "*Subscription and Sale – Selling Restrictions – United States*";

"**Reserved Matters**" has the meaning given to it in schedule 3 (*Reserved Matters*) to the STID;

"**Reset Date**" has the meaning given to that term in the ISDA Definitions;

"**Residual Call Redemption Date**" has the meaning given to it in Condition 6 (*Redemption, Purchase and Options*);

"**Restricted Noteholder**" means any Hedge Fund, Competitor or Distressed Debt Fund;

"**Restricted Payment Conditions**" means the conditions set out in paragraph 16 (*Restricted Payments*) of part 2 (*General Covenants*) of schedule 2 (*Covenants*) to the CTA;

"**Restricted Payments**" means in respect of a member of the Controlled Group, any payment (including any payments of distributions, dividends, bonus issues, return of capital, fees, interest, principal or other amounts whatsoever) (by way of loan or repayment of any loan or otherwise including any payment by MidCo under any Subordinated Debt) (in cash or in kind) (a) to any direct or indirect Affiliate of such company; or (b) to the Subordinated Creditor in respect of Subordinated Debt, in each case, other than Permitted Payments;

"**Restricted Period**" means any period in which OpCo is subject to an absolute prohibition on the payment of dividends or other distributions, save to the extent permitted by the definitions of "Distribution" or "Restricted Payment" in the OpCo Common Terms Agreement;

"**Rolling Average Period**" means on each Calculation Date, the Relevant Period ending on 31 March that falls in the same calendar year as that Calculation Date and the next subsequent two consecutive Relevant Periods, save that, where the test comes to be calculated at a time when information is not available in respect of any forward looking Relevant Period (as a result of the Director General's determination of price limits for a Periodic Review not having been published in draft or final form) then such Rolling Average Period will be the three 12 month periods which run consecutively backwards and/or forwards from such Calculation Date for which such information is available for the last Relevant Period in such calculation

"**S&P**" means S & P Global Ratings Europe Limited;

"**Sanctioned Country**" means a country or territory that is, or whose government is, the subject of any countrywide or territory-wide Sanctions which are, as at the date hereof, North Korea, Iran, Syria, Cuba and the territory of Crimea (subject to such changes that take place from time to time);

"**Sanctioning Authority**" means:

(a) the US government or any US agency (including OFAC, the US State Department, the US Department of Commerce or the US Department of the Treasury);

(b) the United Nations Security Council;

(c) the European Union (or any of its member states); or

(d) the U.K. government (including, without limitation, any of His Majesty's Treasury, the Foreign and Commonwealth Office and the U.K. Department for International Trade,

including, in each case, any other governmental institution of any of the foregoing;

"**Sanctions**" means any economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any Sanctioning Authority;

"**Sanctions List**" means any of the lists of specifically designated nationals or designated or sanctioned persons or entities (or equivalent) held by any Sanctioning Authority, including, without limitation, (i) the Consolidated United Nations Security Council Sanctions List; (ii) the "Specially Designated Nationals and Blocked Persons" list maintained by Office of Foreign Assets Control; (iii) the consolidated list of persons, groups or entities subject to European Union sanctions administered by the European External Action Service;

"**Sanctions Restricted Person**" means any person or entity that is, at any time:

(a) listed in any Sanctions List;

(b) located or resident in, operating from or organised under the laws of a Sanctioned Country;

(c) directly or indirectly owned or controlled by any person or entity included in (a) or (b); or

(d) otherwise by public designation or declaration of a Sanctioning Authority, the subject of any Sanctions;

"**Scope 1**", "**Scope 2**" **and "Scope 3**" have the meanings attributed to them in the GHG Protocol Corporate Accounting and Reporting Standards (revised edition);

"**Secondary Tax Liability**" means any liability to UK Tax by any MidCo Obligor for which a Sponsor or any Affiliate of a Sponsor or any current or former Affiliate of a Sponsor or its Affiliate is primarily liable;

"**Secured Creditor**" has the meaning given to it in Condition 3.5 (*Application after Enforcement*);

"**Secured Creditor Representative**" means:

(a) for each of the Noteholders, the Note Trustee;

(b) for each Hedge Counterparty (whether or not a Qualifying Secured Creditor), the relevant Hedge Counterparty;

(c) for each other Authorised Credit Facility, where:

(i) a facility agent or equivalent agent is appointed by all of the Authorised Credit Facility Providers party to the relevant Authorised Credit Facility, such agent;

(ii) a trustee entity acts as trustee for all of the Authorised Credit Facility Providers party to the relevant Authorised Credit Facility, such trustee; and

(d) for each other Secured Creditor, the relevant Secured Creditor;

"**Secured Creditors**" means:

(a) the Security Trustee (in its own capacity and on behalf of the other Secured Creditors);

(b) the Note Trustee (on its own behalf and on behalf of the Noteholders other than the holders of the Existing Notes (as defined in the MDA));

(c) the Noteholders;

(d) the Term Facility Providers;

(e) the RCF Facility Providers;

(f) the Bridge Facility Providers;

(g) the PP Noteholders;

(h) the Hedge Counterparties;

(i) any other Authorised Credit Facility Provider;

(j) the Account Banks;

(k) any Authorised Credit Facility Agent;

(l) each MidCo Agent;

(m) the Standstill Cash Manager;

(n) "Secured Creditors" (as such term is defined in the Legacy Intercreditor Agreement) under the Existing Finance Documents (as defined in the MDA);

(o) any Additional Secured Creditors,

provided that, in each case, that such person is party to or has acceded to the STID in accordance with the provisions thereof;

"**Secured Debt**" means any financial accommodation that is, for the purposes of the STID, to be treated as Secured Debt and includes the Obligor's liabilities (as appropriate) under:

(a) the Initial Midco Facility Agreement;

(b) the Bridge Facility Agreement;

(c) any Institutional Debt;

(d) the Notes;

(e) any and all liabilities under the Hedging Agreements;

(f) each other Authorised Credit Facility; and

(g) the Existing Bonds (as defined in the MDA);

"**Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly and severally or in any other capacity whatsoever) of each of the Obligors to any Secured Creditor under each Finance Document to which it is a party;

"**Securities Act**" means the U.S. Securities Act of 1933 and any subsequent amendments thereto;

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"**Security Agreement**" means:

(a) the Existing Security Documents (as defined in the MDA); and

(b) the MidCo Obligors Security Agreement;

"**Security Documents**" means, where the context so requires:

(a) each Security Agreement;

(b) the STID (including any Accession Memorandum thereto and any deed supplemental thereto);

(c) until the expiry of the Transition Period, the Legacy Intercreditor Agreement;

(d) any security documents required to be delivered to the Security Trustee pursuant to clause 2.1 (*Accession of Additional Obligors*) of the STID; and

(e) any other security document executed on the Closing Date or thereafter by any of the Obligors evidencing or creating any Security Interest over any asset of an Obligor to secure any obligation of any Obligor to a Secured Creditor under the Finance Documents;

"**Security Interest**" means:

(a) any mortgage, pledge, lien, charge, assignment or hypothecation or other encumbrance securing any obligation of any person;

(b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person;

(c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect; or

(d) any Quasi-Security;

"**Security Trustee**" means Deutsche Trustee Company Limited or any other security trustee appointed pursuant to the STID;

"**Security Trustee Appointee**" means any examiner, attorney, manager, receiver, agent, delegate, nominee, custodian or other person appointed by the Security Trustee under a Security Document;

"**Series**" means: (a) in respect of any Notes, a series of Notes issued under the Programme on a particular Issue Date, together with any Tranche or Tranches of Notes which are expressed to be consolidated and form a single Tranche with any previously issued Tranche; and (b) in respect of any PP Notes, all PP Notes which are issued as a single Tranche under the relevant Note Purchase Agreement;

"**Shareholder**" means:

(a) TopCo; and

(b) any Sponsors;

"**Shortfall Paragraph**" has the meaning given to it in the section "*Overview of the Key Documents – Common Terms Agreement – Cash Management*";

"**Significant Changes**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**SLBP**" has the meaning given to it in the section "*Description of the Relevant Sustainability Targets*";

"**SONIA**" means the Sterling Overnight Index Average;

"**SONIA Reference Rate**" has the meaning given to it in Condition 5.2(c)(C) (*Screen Rate Determination (for SONIA)*);

"**Special Administration Order**" means an order of the High Court under sections 23 to 25 of the WIA under the insolvency process specific to AWS;

"**Special Decision**" has the meaning given to it in Condition 3.4 (*Enforceable Security*);

"**Specified Currency**" has the meaning given to it in the relevant Final Terms;

"**Specified Denomination**" has the meaning given to it in the relevant Final Terms;

"**Specified Duration**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Spens Price**" has the meaning given to it in Condition 6.2(ii)(A) (*Fixed Rate Notes*);

"**Sponsor Director**" means any person which is an employee, officer or director of, any Sponsor;

"**Sponsors**" means, for so long as they are a direct or indirect shareholder of PledgeCo, CPPIB (Hong Kong) Limited, First Sentier Investors (Luxembourg) Infrastructure (B) GP S.à.r.l. as managing general partner of Infrastructure Lux (B) SCSp, Global InfraCo (HK) E. Limited, Camulodunum Investments Ltd and Infinity Investments S.A. and any successors or transferees;

"**SPT**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Stabilising Manager(s)**" means the Dealer designated as a Stabilising Manager;

"**Standstill**" means an automatic standstill of the claims of the Secured Creditors against the Obligors following notification to the Security Trustee of an Event of Default in accordance with the terms of the STID;

"**Standstill Cash Manager**" means the Initial Standstill Cash Manager or any other financial institution which accedes to the Standstill Cash Manager Accession Documents in accordance with clause 2.3 (*Accession of Standstill Cash Manager*) of the STID;

"**Standstill Cash Manager Accession Documents**" means the MDA, the CTA, the STID and the Account Bank Agreement;

"**Standstill Period**" means a period during which a standstill arrangement is subsisting, commencing on the date as determined under clause 18.1 (*Commencement of Standstill*) of the STID and ending on the date as determined under clause 18.4 (*Termination of Standstill*) of the STID;

"**Standstill Remedy**" has the meaning given to such term in clause 18.4.1(iii) (*Termination of Standstill*) of the STID;

"**Statutory Accounts**" means each set of Financial Statements prepared from time to time by each member of the MidCo Group pursuant to applicable law and regulations and in compliance with Applicable Accounting Principles;

"**Step Up Margin**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Step Up Notes**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Sterling**", "**Pounds**" or "**£**" means the lawful currency of the United Kingdom;

"**STID**" means the security trust and intercreditor deed to be entered into on or about the date of this Prospectus between, among others, the Security Trustee together with any deed supplemental to the STID and referred to in the STID as a "**Supplemental Deed**";

"**STID Matter**" means a STID Proposal, an Instruction Notice and/or a Direction Notice;

"**STID Proposal**" has the meaning given to it in the STID;

"**STID Voting Request**" has the meaning given to such term in clause 8.7 (*Procedure for Voting Matters – STID Voting Request*) of the STID;

"**Subordinated Creditor**" means PledgeCo and Aigrette Financing Limited;

"**Subordinated Debt**" means in respect of MidCo, any Financial Indebtedness which for the purpose of the STID is to be treated as Subordinated Liabilities and where the creditor in respect of such Financial Indebtedness is a party to the STID and CTA as a Subordinated Creditor in respect of the Subordinated Liabilities;

"**Subordinated Liabilities**" means all present and future liabilities at any time of MidCo to a Subordinated Creditor in respect of any Subordinated Debt;

"**Subsidiary**" means a subsidiary within the meaning of section 1159 of the Companies Act 2006 and, for the purpose of the financial covenants set out in paragraph 1 (*Financial ratios*) of part 1 (*Trigger Events*) of schedule 3 (*Trigger Events*) to the CTA and part 1 (*Events of Default*) of paragraph 10 (*Breach of Financial Covenants*) of schedule 4 (*Events of Default*) to the CTA and in relation to the financial statements of the Group, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006;

"**Successor**" means, in relation to an Agent, such other or further person as may from time to time be appointed by the Issuer and the Guarantors as such Agent with the written approval of, and on terms approved in writing by, the Note Trustee and notice of whose appointment is given to Noteholders;

"**Successor Rate**" has the meaning given to it in Condition 5.3(e) (*Definitions*);

"**Sustainability-Linked Finance Framework**" means the framework adopted by Anglian Water relating to its sustainability strategy and targets, drafted in accordance with the SLBP administered by the International Capital Markets Association (ICMA) (as amended from time to time);

"**Sustainability-Linked Finance Framework Second-party Opinion**" means the second party opinion provided by DNV confirming the alignment of the Sustainability-Linked Finance Framework with the five pillars of the SLBP;

"**Swap Transaction**" has the meaning given to it in Condition 5.2(b)(A) (*ISDA Determination for Floating Rate Notes*);

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**Talon(s)**" means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, the Bearer Definitive Notes, such talons being in the form, or substantially in the form, set out in the Note Trust Deed or in such other form as may be required in any jurisdiction in which a particular Tranche of Notes may be issued or sold from time to time or as otherwise agreed between the Issuer, the Issuing and Paying Agent, the Note Trustee and the Relevant Dealer(s) and includes any replacements for Talons issued pursuant to the Conditions of the relevant Notes;

"**TARGET Business Day**" means a day on which the T2 is operating;

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest) and "**Taxes**", "**taxation**", "**taxable**" and comparable expressions will be construed accordingly;

"**TEFRA**" means the United States Tax Equity and Fiscal Responsibility Act of 1982;

"**Temporary Bearer Global Note**" means a temporary global note in the form, or substantially in the form, scheduled to the Note Trust Deed, together with the copy of the applicable Final Terms annexed thereto with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Notes may be issued or sold from time to time or as otherwise agreed between the Issuer, the Issuing and Paying Agent, the Note Trustee and the Relevant Dealer(s), comprising some or all of the Bearer Notes of the same Tranche, issued by the Issuer pursuant to the Dealer Agreement or any other agreement between the Issuer and the Relevant Dealer(s) relating to the Programme, the Agency Agreement and the Note Trust Deed;

"**temporary Global Note**" means a Global Note representing Bearer Notes of one or more Tranches of the same Series on issue;

"**Term Facility**" means the Initial Term Facility and any other term facility made available under an Authorised Credit Facility Agreement after the Closing Date;

"**Term Facility Provider(s)**" means the Initial Term Facility Providers and any other lender under a Term Facility who has acceded to the Common Documents as an Additional Secured Creditor;

"**Test Period**" means: (a) the period of 12 months ending on 31 March in the then current year; (b) the period of 12 months starting on 1 April in the same year; (c) each subsequent 12 month period up to the Date Prior; and (d) where the Calculation Date falls within the 13 month period immediately prior to the Date Prior, includes the 12 month period from the Date Prior;

"**Tested Debt**" means:

(a) Class A Debt (defined in the OpCo MDA) incurred by the OpCo Obligors;

(b) Class B Debt (as defined in the OpCo MDA) incurred by the OpCo Obligors;

(c) Secured Debt incurred by the Obligors; and

(d) the Existing Notes (as defined in the MDA),

in each case, without double counting;

"**TopCo**" means Anglian Water Group Limited, a private limited company incorporated in Jersey with registered number 94523;

"**Tranche**" means (a) in respect of any Notes, all Notes which are identical in all respects (save for the Issue Date, Interest Commencement Date and Issue Price); and (b) in respect of any PP Notes, all PP Notes which are expressed to be consolidated and form a single tranche of the PP Notes issued under the same Note Purchase Agreement;

"**Transaction Agent**" means MidCo, appointed to act on behalf of each member of the MidCo Group in relation to the Finance Documents pursuant to clause 9 (*Transaction Agent*) of the CTA;

"**Transaction Costs**" means all non-periodic fees, costs and expenses, stamp, registration and other Taxes incurred by the Guarantors or any other member of the MidCo Group in connection with the Note Documents and the Finance Documents;

"**Transaction Security**" means the Security created, evidenced or expressed to be created or evidenced pursuant to the Transaction Security Documents;

"**Transaction Security Documents**" means each of the documents listed as being a Transaction Security Document in the Finance Documents and the Note Documents, specifically:

(a) the Security Documents; and

(b) confirmation from the Security Trustee for the holders of the Loan Notes that a security over cash agreement in its favour in respect of MidCo's obligations under the Loan Notes has been duly executed and delivered and that any other conditions to the effectiveness of such arrangement have been satisfied,

together with any other document entered into by any member of the MidCo Group creating, evidencing or expressed to create or evidence any Security over all or any part of its assets in respect of the obligations of members of the MidCo Group under any of the Finance Documents, the Note Documents or as contemplated by the Legacy Intercreditor Agreement;

"**Transfer Agent**" means Deutsche Bank AG, London Branch as transfer agent and such further or other Transfer Agent(s) as may be appointed under the Agency Agreement either generally or in relation to a specific Series of Notes;

"**Transition Period**" means the period commencing on the date of execution of the MDA and ending on the earlier of: (i) date on which the Existing Notes (as defined in the MDA) are redeemed in full or are otherwise no longer outstanding and (ii) the date upon which the note trustee in respect of each series of the Existing Notes (as defined in the MDA) agrees to be bound by the STID;

"**Treasury Transaction**" means any currency or interest rate purchase, cap or collar agreement, forward rate agreements, interest rate or currency or future or option contract, foreign exchange or currency purchase or

sales agreement, interest rate swap, index-linked swap, currency swap or combined interest rate and currency swap agreement and any other similar agreement or any derivative transaction;

"**Treaty Lender**" means a lender which:

(a) is treated as a resident of a Treaty State for the purposes of the Treaty;

(b) does not carry on a business in the United Kingdom through a permanent establishment with which that lender's participation in the loans is effectively connected; and

(c) fulfils any conditions which must be fulfilled under the Treaty by residents of that Treaty State to obtain full exemption from United Kingdom taxation on interest payable to that lender in respect of an advance under a Finance Document;

"**Treaty State**" means a jurisdiction having a double taxation agreement (a "**Treaty**") with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest;

"**Trigger Event Consequences**" has the meaning given to it in part 2 (*Trigger Event Consequences*) of schedule 3 (*Trigger Events*) to the CTA;

"**Trigger Event Ratio Level**" has the meaning given to that term in the section "*Overview of the Financing Agreements – Common Terms Agreement – Trigger Events*";

"**Trigger Event Remedies**" means the remedies to a Trigger Event set out in the CTA;

"**Trigger Events**" means any of the events or circumstances identified as such in part 1 (*Trigger Events*) of schedule 3 (*Trigger Events*) to the CTA;

"**Trust**" has the meaning given to it in Condition 6.5 (*Guarantor Change of Control Put*);

"**Trust Deed**" or "**Note Trust Deed**" means the note trust deed in relation to the Programme dated 21 January 2011 between, inter alios, MidCo, the Issuer and the Note Trustee as amended and restated from time and time;

"**UK**" means the United Kingdom;

"**UK Benchmarks Regulation**" means the EU Benchmarks Regulation as it forms part of domestic law;

"**UK CRA Regulation**" means Regulation (EC) No.1060/2009 as it forms part of domestic law;

"**UK EMIR**" means the EU EMIR as it forms part of domestic law;

"**UK MiFIR**" means Regulation (EU) No 600/2014 as it forms part of domestic law;

"**UK MiFIR Product Governance Rules**" means the FCA Handbook Product Intervention and Product Governance Sourcebook;

"**U.S. Dollars**" or "**$**" means the lawful currency of the United States of America;

"**U.S. Plan**" means any employee benefit plan which is subject to Title I or Title IV of ERISA or section 4975 of the Internal Revenue Code;

"**Utilisation Request**" has the meaning given to that term in the applicable Authorised Credit Facility;

"**Verification Assurance Report**" means a verification assurance report prepared at the expense of the Issuer in which the External Verifier verifies the performance by the Anglian Water Group of each KPI according to each corresponding SPT;

"**Verification Publication Date**" means the date the Verification Assurance Report is published, which shall be no later than 120 days after 31 March in each year;

"**Verification Remedy Event**" has the meaning given to it in Condition 5.2(b)(D) (*Step Up Option*);

"**Voted Qualifying Secured Debt**" means the aggregate Outstanding Principal Amount of Qualifying Secured Debt voted by the Qualifying Secured Creditor Representatives in accordance the STID;

"**Voting Matter**" means any matter which is not a Discretion Matter, an Enhanced Rights Matter or one of the matters falling into one of the specific consent matters;

"**WIA**" means the Water Industry Act 1991;

"**Wider Group**" means TopCo and each of its (direct or indirect) subsidiaries from time to time; and

"**Zero Coupon Note**" has the meaning given to it in Condition 5.2(b)(F) (*Zero Coupon Notes*);

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