

Prospectus dated 31 January 2023

AIGRETTE FINANCING (ISSUER) PLC

(incorporated with limited liability in England and Wales under registered number 13390485)

(Legal Entity Identifier: 213800Y5R44IBGNSGT56)

£35,000,000 FIXED RATE SENIOR SECURED NOTES DUE OCTOBER 2030 and **£40,000,000 FLOATING RATE SENIOR SECURED NOTES DUE OCTOBER 2030**

*unconditionally and irrevocably guaranteed by
Aigrette Financing Limited*

(incorporated with limited liability in England and Wales with registered number 13379437)

The £35,000,000 fixed rate senior secured notes due October 2030 (the “**Fixed Rate Notes**”) and £40,000,000 floating rate senior secured notes due October 2030 (the “**Floating Rate Notes**”) (the Fixed Rate Notes and Floating Rate Notes, together the “**Notes**”) were issued by the Issuer on 19 October 2022 (the “**Issue Date**”).

The Notes were issued to the initial purchaser(s) of the Notes (the “**Purchaser(s)**”) on the Issue Date pursuant to a note purchase agreement dated 3 October 2022 and made between the Purchaser(s) and the Issuer (the “**Note Purchase Agreement**”).

The Notes were issued in registered form. The Notes are represented by registered certificates (each a “**Certificate**”), one or more Certificates being issued in respect of a Noteholder’s holding of the Notes.

The terms of the Notes are contained in the Note Purchase Agreement and the Certificates. The Notes are constituted by the Note Purchase Agreement. See Chapter 3 - “*The Terms of the Notes*”.

The Notes were not admitted to trading on any stock exchange or market as at the Issue Date. This Prospectus has been prepared by the Issuer solely for the purpose of having the Notes admitted to the Official List (as defined below) and admitted to trading on the London Stock Exchange plc’s Regulated Market (the “**Market**”).

Application has been made to the Financial Conduct Authority (the “**FCA**”) under Part VI of the Financial Services and Markets Act 2000 for the Notes to be admitted to the official list of the FCA (the “**Official List**”) and to the London Stock Exchange plc for such Notes to be admitted to trading on the Market. References in this Prospectus to the Notes being “listed” (and all related references) shall mean that the 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 (“**EUWA**”) (the “**UK MiFIR**”). This Prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”).

The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer, the Guarantor 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.

The denomination of the Notes is at least £1,000,000 and integral multiples of £0.01 in excess thereof.

Prospective investors should have regard to the factors described in the following:

- (i) under the section headed “*Risk Factors*” in this Prospectus;
- (ii) pages 17-62 of the AWS Base Prospectus (as defined herein), which are incorporated by reference herein; and
- (iii) pages 22-39 of the AWO Base Prospectus (as defined herein), which are incorporated by reference herein.

The Notes are not rated. The credit ratings included or referred to in this Prospectus for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the “**CRA Regulation**”) will be issued by Fitch Ratings Ltd. (“**Fitch**”), Moody’s Investors Services Limited (“**Moody’s**”), Standard & Poor’s Ratings Services (“**S&P**”) each of 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**”). Each of Moody’s and Fitch are established in the United Kingdom and are each registered under the UK CRA Regulation. S&P is established in the EU and subject to the EU CRA Regulation.

IMPORTANT NOTICE

General

This Prospectus comprises a prospectus for the purposes of the UK Prospectus Regulation. The Issuer and the Guarantor (the “**Responsible Person(s)**”) accept responsibility for the information contained in this Prospectus. To the best of the knowledge of each of the Issuer and the Guarantor, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see “**Documents Incorporated by Reference**”).

Distribution

The distribution of this Prospectus and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of the Notes and on distribution of this Prospectus, see Chapter 8 “*Distribution, Transfer and Selling Restrictions*”. This Prospectus does not constitute, and may not be used for the purposes of, an offer to or solicitation by any person to subscribe or purchase any Notes in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, the Notes and the Guarantee 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**”)) (“**U.S. Persons**”). For a description of these and certain further restrictions on offers and sales of the Notes and the Guarantee and on distribution of this Prospectus, see Chapter 8 “*Distribution, Transfer and Selling Restrictions*”.

This Prospectus may be distributed on a confidential basis in the United States to a limited number of persons that are institutional “accredited investors” (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act (“**Institutional Accredited Investors**”) or “qualified institutional buyers” (as defined in Rule 144A(a) under the Securities Act) (“**Qualified Institutional Buyers**”) for informational use only. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes and the Guarantee may be offered or sold within the United States only to Institutional Accredited Investors or Qualified Institutional Buyers, in transactions exempt from registration under the Securities Act. Each U.S. prospective purchaser of the Notes and the Guarantee is hereby notified that the offer and sale of any Notes and the Guarantee to it will be made in reliance on an exemption from the registration requirements of the Securities Act for transactions not involving a public offering in the United States. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Prospectus see Chapter 8 “*Distribution, Transfer and Selling Restrictions*”.

Subject to the forgoing, this Prospectus is being distributed only to, and is directed only at, persons who (i) are outside the United Kingdom or (ii) are persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) are high net worth entities, and other persons to whom it may lawfully be

communicated, falling within Article 49(1) of the Order (all such persons together being referred to as “**relevant persons**”). This Prospectus, or any of its contents, must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such investments will be engaged in only with, relevant persons.

Each purchaser or holder of Notes will be deemed, by its acceptance or purchase of any such Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in Chapter 8 “*Distribution, Transfer and Selling Restrictions*”.

The Notes in respect thereof have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

This Prospectus has been approved as a prospectus by the FCA, as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer, the Obligors 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. This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for, or purchase, any Notes.

This prospectus will be valid for a year from 31 January 2023. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid. For this purpose, “valid” means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement the prospectus is only required within its period of validity between the time when the prospectus is approved and the closing of the offer period for the Bonds or the time when trading on a regulated market begins, whichever occurs later.

PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA 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 the Prospectus Regulation. Consequently, no key information document required by the EU 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 EU PRIIPs Regulation.

PROHIBITION OF SALES TO UNITED KINGDOM 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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as 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 EUWA; or (iii) not a qualified investor as defined in the UK Prospectus Regulation. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Manufacturer target market (MiFID II product governance and UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No EEA or UK PRIIPs key information document has been prepared as the Notes will not be made available to retail investors in the European Economic Area or the United Kingdom.

IMPORTANT LEGAL INFORMATION

Disclaimers

No person has been authorised to give any information or to make representations other than the information or the representations contained in this Prospectus in connection with the Issuer, any member of the AWS Financing Group (as defined below), any member of the AWOFF Financing Group (as defined below) or the Anglian Water Group (as defined below) or the offering or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, any member of the AWS Financing Group, AWOFF Financing Group or the Anglian Water Group. 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 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 since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes 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.

Save for the Issuer, no other party has separately verified the information contained in this Prospectus (an “**Other Party**”). Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Other Party as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution. The statements made in this paragraph are without prejudice to the respective responsibilities of the Issuer. Each person receiving this Prospectus acknowledges that such person has not relied on any Other Party nor on any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decision.

Neither the Issuer nor the Other Parties accept responsibility to investors for the regulatory treatment of their investment in the Notes (including (but not limited to) whether any transaction or transactions pursuant to which the Notes are issued from time to time is or will be regarded as constituting a “securitisation” for the purpose of the EU Capital Requirements Regulation (EU) No 575/2013 (the “**CRR**”) and the application of Article 409 of the CRR or section 5 of Regulation (EU) No 231/2013 to any such transaction) by any regulatory authority in any jurisdiction. If the regulatory treatment of an investment in the Notes is relevant to any investor’s decision whether or not to invest, the investor should make its own determination as to such treatment and for this purpose seek professional advice and consult its regulator. Prospective investors should have regard to the factors described under the section headed “*Risk Factors*” in this Prospectus and pages 17-62 (see further, the Incorporated Risk Factors (as defined below)) of the AWS Base Prospectus, which are incorporated by reference herein.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any Other Party that any recipient of this Prospectus should purchase any of the Notes. The Notes have been issued and purchased on 19 October 2022 prior to the date this Prospectus was published, and any decision made by the current Noteholder to invest in the Notes was not made in reliance on this Prospectus.

Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in the Notes should consult independent professional advisers. Any prospective

Noteholder should take its own legal, financial, accounting, tax and other relevant advice as to the structure and viability of its investment.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include, but are not limited to, statements regarding the intentions of Anglian Water, the Issuer and/or the Guarantor, beliefs or current expectations concerning, among other things, the business, results of operations, financial position and/or prospects of Anglian Water, the Issuer and/or the Guarantor.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Anglian Water Group, and the development of the markets and the industries in which members of the Anglian Water Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if the Anglian Water Group’s results of operations and financial position, and the development of the markets and the industries in which the Anglian Water Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. See Chapter 2, “*Risk Factors*” below.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer maintains its financial books and records and prepares its financial statements in sterling in accordance with the Financial Reporting Standard 101 (“**FRS101**”) and the Guarantor maintains its financial books and records and prepares its financial statements in Sterling in accordance with International Financial Reporting Standards (“**IFRS**”) and International Financial Reporting Interpretations Committee (“**IFRIC**”) interpretations, as adopted by the United Kingdom which differ in certain significant respects from generally accepted accounting principles in the United States (“**U.S. GAAP**”).

To comply with the UK Prospectus Regulation rules on financial information, this Prospectus includes (i) audited financial statements for the period from incorporation until 31 March 2022 incorporated by reference in respect of the Issuer published under FRS101; and (ii) audited accounts for the period from incorporation until 31 March 2022 incorporated by reference in respect of the Guarantor published under IFRS.

All references in this Prospectus to “**Sterling**” and “**£**” refer to pounds sterling.

DOCUMENTS INCORPORATED BY REFERENCE

As set out in further detail below (see *Chapter 2 – Risk Factors – Factors that may affect the Issuer’s ability to fulfil its obligations under or in connection with the Notes*) the Issuer is a special purpose entity and the Guarantor is a holding company, each with no operations of their own. Therefore, the Guarantor relies on its subsidiaries to provide it with the funds needed to fulfil its payment obligations to the Issuer under the Issuer/Guarantor Loans which the Issuer will then use to fulfil its payment obligations in respect of the Notes. The Issuer and the Guarantor’s audited financial statements for the financial year ended 31 March 2022 are disclosed herein, however as the key subsidiaries of the Guarantor which would provide the relevant funds are AWS and AWO, the following information set out in this chapter also sets out the relevant information incorporated by reference in respect of these two entities to provide additional information to investors.

- A. This Prospectus should be read and construed with:
- a. The audited financial statements of the Issuer in respect of the financial year ended 31 March 2022 (available at <https://www.awg.com/siteassets/investors/2022-03-31-afip-report-and-accounts.pdf>); and
 - b. The audited financial statements of the Guarantor in respect of the financial year ended 31 March 2022 (available at <https://www.awg.com/siteassets/investors/aigrette-investors-information/aigrette-financing-limited-2022-report-and-accounts.pdf>).
- B. 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 €10,000,000,000 Multicurrency programme for the issuance of Guaranteed Bonds dated 24 October 2022 (available at <https://www.awg.com/siteassets/investors/anglian-water-services---tc/awsf-prospectus-update-prospectus-october-2022.pdf>), as supplemented by a supplemental prospectus dated 12 January 2023 (available at <https://www.awg.com/siteassets/investors/anglian-water-services---tc/awsf-supplementary-prospectus-january-2023.pdf>) (the “AWS Base Prospectus”) which shall be incorporated in and form part of this Prospectus:

Section	Title/Reference	Page(s)
1.1	Risk Factors	
	(i) Risks relating to the Issuer – Regulatory, Legislative and Political Risks	17 – 23
	(ii) Risks relating to the Issuer – Failure to meet costs allowed under price controls	23 – 28
	(iii) Risks relating to the Issuer – Penalties and Rewards	28 – 29
	(iv) Risks relating to the Issuer – Financing Considerations	38 – 41
	(v) Risks relating to the structure of a particular issue of Bonds	46 - 62
1.2	Chapter 1 – Parties	76 – 80
1.3	Chapter 5 – Ring-Fencing and the Anglian Water Services Financing Group	128 – 147
1.4	Chapter 6 – Financing Structure	148 – 262
1.5	Chapter 11 – Regulation of the Water and Water Recycling Industry in England and Wales	352 – 396

1.6	Chapter 16 – General Information (in particular the section entitled “ <i>Significant or Material Change</i> ”)	431 – 435
1.7	Chapter 17 - Index of Defined Terms	436 – 480

Such incorporated sections are referred to herein as the “**AWS Disclosure**”.

The AWS Base Prospectus was approved by the FCA on 24 October 2022. This Prospectus should also be read and construed in conjunction with the consolidated financial statements of AWS for the financial year ended 31 March 2022 which have been filed with the FCA and can be accessed at (<https://www.anglianwater.co.uk/siteassets/household/about-us/air-2022.pdf>). The consolidated financial results have been compiled and prepared on a basis which is both (a) comparable with the consolidated historical financial information for the year ended 31 March 2021 and (b) consistent with the AWS accounting policies. The projected total of outperformance payments has been compiled and prepared on a basis which is both (a) comparable with the consolidated historical financial information for the year ended 31 March 2021 and (b) consistent with the AWS accounting policies.

The AWS Disclosure and 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 documents which are themselves incorporated by reference in the documents incorporated by reference in this Prospectus, 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. Further, any defined term used in the AWS Disclosure shall only be a defined term for the purposes of such AWS Disclosure and any defined terms used in this Prospectus (other than in such AWS Disclosure) shall not be a defined term for the purposes of such AWS Disclosure.

- C. This Prospectus should be read and construed in conjunction with the following sections of the base prospectus in respect of the Anglian Water (Osprey) Financing plc £10,000,000,000 Multicurrency programme for the issuance of Guaranteed Bonds dated 12 August 2022 (available at <https://www.awg.com/siteassets/investors/osprey-investors-information/anglian-water-osprey-prospectus-2022.pdf>), as supplemented by a supplemental prospectus dated 12 January 2023 (available at <https://www.awg.com/siteassets/investors/osprey-investors-information/awof-supplementary-prospectus-january-2023.pdf>) (the “**AWOF Base Prospectus**”) which shall be incorporated in and form part of this Prospectus:

Section	Title/Reference	Page(s)
1.1	Risk Factors	
	(i) Risks relating to the Issuer and the Guarantors - Corporate Structure and Financing Considerations	22-24
1.2	Business Description of MidCo	99-100
1.3	Business Description of PledgeCo	101-102
1.4	Overview of the Financing Arrangements	103
1.5	Index of Defined Terms	171-220

Such incorporated sections are referred to herein as the “**AWOF Disclosure**”.

The AWOFF Base Prospectus was approved by the FCA on 12 August 2022.

This Prospectus should also be read and construed in conjunction with the audited consolidated financial statements of Osprey Acquisitions Limited for the financial year ended 31 March 2022 which have been filed with the FCA and can be accessed at <https://www.awg.com/siteassets/investors/osprey-investors-information/osprey-acquisitions-limited-2022-report-and-accounts.pdf>.

This Prospectus should also be read and construed in conjunction with the consolidated preliminary financial results of AWS for the six months ended 30 September 2022 and can be accessed at <https://www.anglianwater.co.uk/siteassets/household/about-us/aws-interim-report-30-september-2022.pdf>.

The AWOFF Disclosure and 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 documents which are themselves incorporated by reference in the documents incorporated by reference in this Prospectus, 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. Further, any defined term used in the AWOFF Disclosure shall only be a defined term for the purposes of such AWOFF Disclosure and any defined terms used in this Prospectus (other than in such AWOFF Disclosure) shall not be a defined term for the purposes of such AWOFF Disclosure.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer. Any website hyperlinks included in this Prospectus do not form part of the prospectus unless these are hyperlinks to documents incorporated by reference.

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CHAPTER 1 OVERVIEW

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

The Parties

Issuer	Aigrette Financing (Issuer) plc, a company incorporated in England and Wales with limited liability (registered number 13390485). The Issuer is a wholly-owned subsidiary of Aigrette Financing Limited.
Security Trustee	Deutsche Trustee Company Limited acts and will act as security trustee for itself and on behalf of the Secured Creditors (as defined below) (the “ Security Trustee ”), and will hold, and will be entitled to enforce the Transaction Security (as described below) on behalf of the Secured Creditors subject to the terms of the Intercreditor Agreement and the Security Agreement.
Secured Creditors	The Secured Creditors comprise any person who is a party to, or has acceded to, the Intercreditor Agreement as a Secured Creditor. The Noteholders are, or subject to their accession to the Intercreditor Agreement as Secured Creditors, will be, Secured Creditors.
Noteholder	The persons whose name is registered in the register maintained by the Issuer in respect of a Note as the holder of such Note.
Purchaser(s)	The persons whose name is listed in the Note Purchase Agreement as a “Purchaser”.

The Notes

Issue Date	19 October 2022
Issue Price	100 per cent. of the principal amount of each Series of Notes
Notes	The £35,000,000 fixed rate senior secured notes due October 2030 and £40,000,000 floating rate senior secured notes due October 2030
Status of the Notes	The Notes constitute secured obligations of the Issuer.
Security	<p>The Notes are secured by the Issuer and the Guarantor pursuant to the Security Agreement entered into by the Issuer, the Guarantor and the Security Trustee in favour of the Security Trustee. The Security is held by the Security Trustee on trust for the Secured Creditors under the terms of the Security Agreement and subject to the terms of the Intercreditor Agreement.</p> <p>Pursuant to the Security Agreement, the Guarantor has granted fixed security over all its shares in Aigrette Financing (Issuer) plc and Osprey Investco Limited and all its real property, book debts</p>

and bank accounts, present and future, and each of the Issuer and the Guarantor has granted (i) an assignment of its rights in respect of the Transaction Documents and (ii) a floating charge over all of its property, undertaking and assets.

Rating	The Notes are not rated.
Form of Notes	The Notes were issued in registered form. The Notes are represented by Certificates, one or more Certificates being issued in respect of a Noteholder's holding of the Notes.
Initial Delivery	On the Issue Date, the Certificate(s) representing the Notes were delivered by the Issuer to the relevant Purchaser(s).
Denominations	The Notes have a minimum denomination of £1,000,000.
Register	The Issuer keeps a register of the Notes at its registered office.

Terms of the Notes

Currencies	Sterling.
Interest	Fixed rate interest on the Fixed Rate Notes and floating rate interest on the Floating Rate Notes. Please see Chapter 3 " <i>The Terms of the Notes</i> " for further information.
Optional Redemption	The Notes are subject to an optional redemption feature. Please see Chapter 3 " <i>The Terms of the Notes</i> " for further information.
Events of Default	Each of the events or circumstances set out in Section 14 of the Note Purchase Agreement is an Event of Default (save for Section 14.20 (<i>Acceleration</i>)). Please see Chapter 3 " <i>The Terms of the Notes</i> " for further information.
Representations and Warranties	The Obligors represent and warrant to each Purchaser and each other holder of a Note on the terms of the representations and warranties contained in Section 6 of the Note Purchase Agreement. Please see Chapter 3 " <i>The Terms of the Notes</i> " for further information.
Withholding Tax	All payments of principal and interest in respect of the Notes will be made free and clear of withholding tax unless such withholding tax is required by law. In such event, an Obligor shall pay such additional amounts as required in order that the net amounts paid to the holders after such withholding tax is equal to the amount which would have been due to such holders had no such withholding tax been required pursuant to the terms, exceptions and limitations set out in Section 15 of the Note Purchase Agreement.
Governing Law	English law.

CHAPTER 2 RISK FACTORS

The Issuer believes that the following factors may affect their ability to fulfil its obligations (including the payment of principal and interest) under the Notes.

*Certain risk factors (as noted below) are incorporated by reference from the AWS Base Prospectus and AWO Base Prospectus (the “**Incorporated Risk Factors**”).*

The Issuer believes that the factors described below and the Incorporated Risk Factors represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes and the Incorporated Risk Factors are exhaustive. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein, in particular, the Incorporated Risk Factors) and reach their own views prior to making any investment decision. Further, any prospective investor should take their own legal, financial, accounting, tax and other relevant advice as to the structure and viability of their investment. Noteholders may lose the value of their entire investment, or part of it, in certain circumstances.

In this Prospectus, any operational performance figures that are financial measures and are not disclosed in the financial statements incorporated by reference herein will need to be disclosed as alternative performance measures. Unless specifically disclosed as such, in the Issuer’s view, no operational performance figures provided herein are financial measures and as such are not alternative performance measures.

Factors that may affect the Issuer’s ability to fulfil its obligations under or in connection with the Notes

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 the Guarantor through the issuance of the Notes and other debt finance. The Issuer’s only source of funds will be the repayment of amounts by the Guarantor under the Issuer/Guarantor Loans made by the Issuer to the Guarantor under the Issuer/Guarantor Loan Agreement. Therefore, the Issuer is subject to all the risks relating to the revenues and expenses to which the Guarantor is subject as set out or incorporated by reference herein. See “*Business Description of Issuer – Business Activities*”)

The Guarantor is a holding company with no operations and relies on its operating subsidiaries to provide it with funds necessary to meet its financial obligations

The Guarantor is a holding company with no material, direct business operations. The principal assets of the Guarantor are the equity interests it directly or indirectly holds in the Guarantor’s operating subsidiaries (primarily Anglian Water Services Limited (“**AWS**”). As a result, the Guarantor is dependent on loans, interest, dividends and other payments from its Subsidiaries to generate the funds necessary to meet its financial obligations, including the repayment of any Issuer/Guarantor Loans. The Guarantor’s 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 Guarantor could affect the amount of funds available to the Guarantor, to enable the Guarantor to satisfy in full and on a timely basis its obligations under the Issuer/Guarantor Loan Agreement. In addition, AWS is, in

certain circumstances, restricted from declaring or paying dividends as part of the Securitisation as defined and further described below, such restrictions being dependent on the financial performance of AWS. The principal risks to which AWS and its business are subject are set out on pages 17 to 63 of the AWS Base Prospectus, which are incorporated by reference in this Prospectus. Additionally, as part of a corporate restructuring of Anglian Water (Osprey) Financing plc and Osprey Acquisitions Limited, there are certain conditions which need to be fulfilled before distributions are made to the Guarantor to allow it to fulfil its payment obligations to the Issuer (please see *AWOF 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 Guarantor* for further details)

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 Guarantor

In 2002, the Anglian Water Group implemented a significant corporate restructuring and financing (the “**AWS Financing**”) and created a new “ring-fenced” financing group (being the “**AWS Financing Group**”). The AWS 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. A key aspect of this covenant-based ring-fencing is that AWS is only entitled to pay any dividends or make any other payments (“**distributions**”) 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 Guarantor to satisfy in full and on a timely basis its obligations under the Issuer/Guarantor Loan Agreement. See Chapter 6 (*Financing Structure*) of the AWS Disclosure for further details.

AWOF 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 Guarantor

In 2021, Osprey HoldCo Limited implemented a corporate restructuring and amended the existing financing arrangements of Anglian Water (Osprey) Financing plc and Osprey Acquisitions Limited to implement new financing arrangements consisting of a secured common debt platform established on 16 June 2021 (the “**AWOF Financing**”) and restructured the existing Osprey “ring-fenced” financing group (being the “**AWOF Financing Group**”). The AWOF Financing Group consists of Osprey Investco Limited and Osprey Investco Limited’s wholly-owned subsidiaries, Osprey Acquisitions Limited and Anglian Water (Osprey) Financing plc. A key aspect of this covenant-based ring-fencing is that OAL is only entitled to pay any dividends (albeit indirectly) or make any other payments (“**distributions**”) if certain conditions are satisfied, including that no potential or actual event of default or trigger event under the AWOF 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 AWOF Financing. There is a risk that these restrictions on the amounts of permitted distributions could affect the ability of the Guarantor to satisfy in full and on a timely basis its obligations under the Issuer/Guarantor Loan Agreement.

AWS is subject to certain restrictions in paying dividends as part of its regulatory ring-fencing

As part of its obligations as a regulated company, AWS is subject to certain ring-fencing restrictions under its current Licence. In addition to the covenant restrictions applicable to distributions under the AWS Financing, AWS is required pursuant to its Licence 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 principles: (i) that dividends will not impair the ability of AWS to finance its Regulated Business; and (ii) that under a system of incentive regulation, dividends would be expected to reward efficiency and the management of economic risk.

There is a risk that these restrictions on the amounts of permitted distributions could affect the ability of the Guarantor to satisfy in full and on a timely basis its obligations under the Issuer/Guarantor Loan Agreement. See Chapter 6 (*Financing Structure*) of the AWS Disclosure for further details.

Noteholders are structurally subordinated to claims of creditors of the Guarantor’s subsidiaries, including the secured creditors of AWS under the AWS Financing and AWOFF under the AWOFF Financing

The ability of the Guarantor’s Subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory or contractual restrictions. As an equity investor in its Subsidiaries, the Guarantor’s right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of creditors of its Subsidiaries. To the extent that the 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 and therefore this could affect the ability of the Guarantor to satisfy in full and on a timely basis its obligations under the Issuer/Guarantor Loan Agreement.

If share security under the AWS Financing and/or the AWOFF Financing is enforced, the Guarantor may no longer be an indirect shareholder of AWS and/or AWOFF

As part of the AWS Financing, each of (i) Anglian Water Services UK Parent Co Limited and Anglian Water Services Holdings Limited has granted security over shares in its direct subsidiary; and as part of the AWOFF Financing, each of (ii) Osprey Investco Limited and Osprey Acquisitions Limited has granted security over shares in its direct subsidiary. If the secured creditors in respect of the AWS Financing and/or AWOFF Financing elect to enforce their rights thereunder, then such security over the shares in (a) Anglian Water Services UK Parent Co Limited and AWS; and/or Osprey Investco Limited and Osprey Acquisitions Limited may be enforced and such enforcement may result in a sale of AWS and/or AWOFF and, subsequently, the Guarantor would no longer be an indirect shareholder of AWS and/or AWOFF. As a result, the Guarantor would not be entitled to receive any dividends from AWS and/or AWOFF, which may impact its ability to generate funds necessary to meet its financial obligations, in particular, under the Issuer/Guarantor Loan Agreement and/or the Notes.

High Leverage of AWS and AWOFF

AWS has indebtedness that is substantial in relation to its shareholders equity. As part of its debt issuance programme, AWS has, to date, issued Class A Debt to increase AWS’ gross indebtedness to approximately £6.6 billion. The Anglian Water Services Financing Group at 31 March 2022 has a net leverage (including retained cash reserves) of 64.8 per cent. as a percentage of total debt to RCV.

If certain “Trigger Event Ratio Levels” are breached, AWS and/or AWOFF is restricted from paying distributions. Accordingly, there can be no assurance as to the ability of AWS or AWOFF to pay distributions to its shareholders which ultimately flow up to the Guarantor, to enable the Issuer to pay amounts due and owing in respect of the Notes. See section 2.5.7 (*Trigger Events*) and section 2.5.8 (*Trigger Event Consequences – No Restricted Payments*) of the AWS Base Prospectus and section (i) (*Trigger Event Consequences – No Restricted Payments*) of the AWOFF Base Prospectus.

Senior RAR is an alternative performance measure. It has been calculated as set out in the definition for Senior RAR. Senior RAR for the year ended 31 March 2022 was 64.8 per cent. As specified in the audited financial statements of AWS for the year ended 31 March 2022, AWS’s net debt is £6,783.3 million.

Senior RAR is included in this Prospectus to allow potential Noteholders to better assess AWS’s performance and business and compliance with AWS’s lending covenants. For comparison, the Senior RAR was 64.8 per cent. as at 31 March 2022 and 81.8 per cent. as at 31 March 2021.

The ability of AWS to improve its operating performance and financial results will depend upon economic, financial, competitive, regulatory and other factors beyond its control, including fluctuations in interest rates and general economic conditions in the United Kingdom. The level of debt of AWS has several important effects on its future operations, including the following: (a) AWS has significant cash requirements to service debt; (b) AWS may be restricted in the future from obtaining additional financing, whether for capital expenditure, working capital or other purposes; and (c) AWS is required to comply with certain financial covenants and other restrictions contained in the Bonds and its other indebtedness, further restricting its financial and operational flexibility.

Accordingly, there can be no assurance as to AWS's ability to meet its financing requirements and no assurance that AWS's leverage will not have a material adverse impact on its ability to make all payments owing in respect of its debt and therefore whether there are sufficient funds to be distributed to AWOF for the payment of amounts due at the AWOF level and subsequently distributed to the Issuer to meet its payment obligations under the Notes.

Risks associated with AWS and its business

The risks to which AWS and its business are subject are set out in the risk factors, extracted from the AWS Base Prospectus, which is incorporated by reference in this Prospectus (see "*Documents Incorporated by Reference*"):

Risk Factors:

- (i) Risks relating to the Issuer – Regulatory, Legislative and Political Risks (pages 17 – 23) of the AWS Base Prospectus);
- (ii) Risks relating to the Issuer – Failure to meet costs allowed under price controls (pages 24 – 28) of the AWS Base Prospectus);
- (iii) Risks relating to the Issuer – Penalties and Rewards (pages 28 – 29) of the AWS Base Prospectus);
- (iv) Risks relating to the Issuer – Financing Considerations (pages 38 – 41) of the AWS Base Prospectus);
- (v) Risks relating to the structure of a particular issue of Bonds (pages 46 – 62) of the AWS Base Prospectus).

Risks associated with AWOF and its financing arrangements

The risks to which AWOF and its financing arrangements are subject are set out in the risk factors, extracted from the AWOF Base Prospectus, which is incorporated by reference in this Prospectus (see "*Documents Incorporated by Reference*"):

Risk Factors:

- (i) Risks relating to the Issuer and the Guarantors - Corporate Structure and Financing Considerations (pages 22-24 of the AWOF Base Prospectus);

Future Financing

The Issuer or the Guarantor 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 paid and on the maturity date of the relevant Series of Notes, refinance the Notes; and
- (ii) refinance any other debt 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 Intercreditor Agreement contemplates the circumstances under which such further debt can be raised, there can be no assurance that the Issuer or the Guarantor 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.

Additionally, members of (i) the AWS Financing Group (subject to the terms of the AWS Common Terms Agreement) and; (ii) the AWOFF Financing Group (subject to the terms of the Common Debt Documents as defined in the AWOFF Base Prospectus) are permitted to incur additional financial indebtedness. As such, increased debt in the AWS Financing Group or the AWOFF Financing Group may have an impact on whether there are sufficient distributions to the Guarantor to enable the Issuer or the Guarantor to pay amounts due and owing in respect of the Notes. See Chapter 6 (*Financing Structure*) of the AWS Base Prospectus and (*Overview of the Financing Arrangements*) of the AWOFF Base Prospectus.

Risks relating to the Notes generally

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

Noteholders' rights subject to the Intercreditor Agreement

The Noteholders' rights against the Issuer and the Guarantor are subject to the Intercreditor Agreement. The Noteholders' rights to take any action to enforce their rights against the Issuer following an Event of Default and the taking of Enforcement Action are partially restricted under the Intercreditor Agreement. The taking of Enforcement Action by the Noteholders shall trigger an automatic acceleration of the Secured Liabilities (as defined in the Intercreditor Agreement). Following such automatic acceleration, the Security Trustee shall enforce the Transaction Security in accordance with the instructions of the Majority Creditors (as defined in the Intercreditor Agreement, which might not include the Noteholders) and the proceeds of such enforcement shall be distributed in accordance with the order of payments set out in the Intercreditor Agreement. 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 Transaction Security.

Modification, waivers and substitution

The terms of the Notes provide that the Note Purchase Agreement and the Notes may be amended, and the observance of any term of the Notes and the Note Purchase Agreement may be waived (either retroactively or prospectively), with (and only with) the written consent of the Issuer, the Guarantor and the Required Holders, except that an amendment or waiver that has the effect of changing or which relates to: (i) the definition of "Guarantor Change of Control", "Make-Whole Amount", "Non-Call Period" and "Required Holders"; (vi) an extension to the date of payment of any amount under the Finance Documents; (vii) a reduction in the coupon or a reduction in the amount of any payment of principal, interest, fees or commission payable; (viii) an increase in or an extension of any Note; (ii) any provision which expressly requires the consent of all the Noteholders; (iii) Section 2 (*Sale and Purchase of Notes*), Section 4.7 (*Funding Instructions*), Section 11.3 (*Capitalisation*), Section 11.5 (*Illegality*), 11.6 (*Change of control*), Section 17 (*Registration; Exchange; Substitution of Notes*), Section 22 (*Amendment and Waiver*), Section 26 (*Substitution of Purchaser*), Section 29.6 (*Governing law*) or Section 29.7 (*Enforcement*) of the Note Purchase Agreement; (v) the release of any Security created pursuant to any Security Document or of any Charged Property (except for as provided in any Security Document); or (ix) the nature or scope of the guarantee and indemnity granted under Section 7 (*Guarantee and indemnity*) of the Note Purchase Agreement, shall not be made without the prior consent of all the Noteholders.

Transfer and Assignment of the Notes

The terms of the Notes contain provisions which provide that where the Notes are listed and a transfer of Notes to any hedge fund, competitor or distressed debt fund or any entity which is not an approved transferee takes place, the Notes subject to such transfer shall not be counted in any quorum or voting threshold in respect of any decision of the Purchasers. In the event the Notes cease to be listed, transfers of the Notes may be restricted in certain circumstances (in particular where the transferee is a hedge fund, competitor or distressed debt fund).

Notes subject to optional redemption by the Issuer

The Notes are subject to an optional redemption feature which 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.

Risks related to the market generally

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

Limited liquidity of the Notes; absence of secondary market for the Notes

The Notes are subject to certain transfer restrictions and as such there can be no assurance that a secondary market will develop or, if a secondary market does develop for any of the Notes that it will provide the holder of the Notes with liquidity or that any such liquidity will continue for the life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of the Notes.

Regulatory Capital Considerations; CRD IV

The CRR and CRD IV have applied since 1 January 2014 and include amendments to the EU regulatory capital regime for credit institutions and investment firms. These amendments could result in certain investors being subject to additional regulatory capital obligations. These regulatory capital obligations would vary depending on the type of investor and the jurisdiction in which they are regulated. Investors should be aware that such regulatory capital obligations may adversely affect their own holding of the Notes (if they fall within one of the relevant categories of regulated investors) and may adversely affect the price for which they can sell the Notes or their ability to sell the Notes at all. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Sterling (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (1) the Investor’s Currency-equivalent yield on the

Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Notes this will adversely affect the value of the Notes.

Default risks

The Issuer's ability to repay the debt, being the funds raised through the issue of Notes, exposes investors to the possibility of default of the Issuer. Investors should be aware that Notes issued by corporations are not guaranteed by the UK government.

CHAPTER 3

THE TERMS OF THE NOTES AND INTERCREDITOR AGREEMENT

The terms of the Notes are contained in the Note Purchase Agreement and the Certificates. Capitalised terms used in this Chapter 3 “The Terms of the Notes” shall have the meaning given to them in this Prospectus or the Note Purchase Agreement.

The Noteholders have rights and obligations in relation to the Notes under the Note Purchase Agreement and the Certificates and will need to exercise those rights or preform those obligations pursuant to the Note Purchase Agreement and the Certificates.

This Prospectus describes the rights and obligations of the Issuer, and the Guarantors and Noteholders in relation to the Notes and the terms of the Note Purchase Agreement and the Certificates. Therefore, a reference in this Prospectus to an action pursuant to or under a “Paragraph” shall be read as an action pursuant to or under the corresponding “Section” of the Note Purchase Agreement or pursuant to or under the Notes, as the case may be.

The Notes are constituted by the Note Purchase Agreement. These terms include summaries of, and are subject to, the detailed provisions of the Note Purchase Agreement, which includes the form of the Notes and Certificates referred to below.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Note Purchase Agreement.

PART A – NOTE PURCHASE AGREEMENT - PRINCIPAL TERMS OF THE NOTES

1 Sale and Purchase of the Notes; Security

1.1 Sale and Purchase of the Notes

The Issuer issued and sold to each relevant Purchaser and each relevant Purchaser purchased from the Issuer, on 19 October 2022 (“**Closing**”), the Notes in the principal amount and in the Series specified opposite such Purchaser’s name in the Note Purchase Agreement at the purchase price of 100% of the principal amount thereof.

The Purchasers’ obligations under the Notes are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser thereunder.

1.2 Security

The Issuer’s obligations in respect of the Notes are secured on the terms set out in the Security Agreement.

2 Interest

On each Interest Payment Date, the Issuer shall pay accrued interest on the principal amount of the Notes outstanding as of the relevant date at the rate per annum (expressed as a percentage) applicable to that Interest Period, being the fixed rate of interest on the Fixed Rate Notes and the floating rate of interest on the Floating Rate Notes. See *Chapter 3 - Part B – The Notes - Pricing and Additional Terms* below for further details.

3 Closing

The Closing occurred on 19 October 2022 in accordance with the Note Purchase Agreement.

4 Conditions to Closing

Each Purchaser confirmed that the conditions to each respective Closing set out in the Note Purchase Agreement were fulfilled to each Purchaser’s satisfaction.

5 Representation and Warranties of the Issuer

Each of the Issuer and the Guarantor represents and warrants to each Purchaser and each other holder of a Note on the terms of the representations and warranties contained in Section 6 (*Representations and Warranties of the Obligors*) of the Note Purchase Agreement and acknowledges that each Purchaser has entered into the Note Purchase Agreement in reliance on such representations and warranties.

6 Guarantee and Indemnity

6.1 Guarantee and indemnity

The Guarantor irrevocably and unconditionally:

- (a) guarantees to each Finance Party punctual performance by the Issuer of all the Issuer’s obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever the Issuer does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it were the principal obligor; and

- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of the Issuer 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 the Guarantor under this indemnity will not exceed the amount it would have had to pay under this Section 6 if the amount claimed had been recoverable on the basis of a guarantee.

6.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Issuer under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

6.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Issuer or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Guarantor under this Section 6 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

6.4 Waiver of defences

The obligations of the Guarantor under this Section 6 will not be affected by an act, omission, matter or thing which, but for this Section 6, would reduce, release or prejudice any of its obligations under this Section 6 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, the Issuer or other person;
- (b) the release of the Issuer or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security, including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

6.5 Guarantor intent

Without prejudice to the generality of Section 6.4 (*Waiver of defences*), the Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

6.6 Immediate recourse

The Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Section 6. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

6.7 Appropriations

Until all amounts which may be or become payable by the Issuer under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Section 6.

6.8 Deferral of Guarantor's rights

Until all amounts which may be or become payable by the Issuer under or in connection with the Finance Documents have been irrevocably paid in full and unless the Purchasers otherwise direct, the Guarantor will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Section 6:

- (a) to be indemnified by the Issuer;
- (b) to claim any contribution from any other guarantor of the Issuer's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring the Issuer to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under Section 6.1 (*Guarantee and indemnity*);

- (e) to exercise any right of set-off against the Issuer; and/or
- (f) to claim or prove as a creditor of the Issuer in competition with any Finance Party.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Issuer under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the relevant Finance Parties.

6.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

7 Representations of the Purchasers

Each Purchaser severally represents that:

- (a) it and any account for which it is acting on behalf of is either (i) an institution which is an Institutional Accredited Investor or a Qualified Institutional Buyer or (ii) outside the United States and not a U.S. Person, in each case purchasing for its own account or for one or more pension or trust funds that also fall within (i) or (ii) above for investment purposes and not with a view to the distribution thereof, provided that the disposition of such Purchaser's assets, or the assets of such account, pension or trust shall at all times be within such Purchaser's or their control;
- (b) each Purchaser understands that neither the Notes nor the Guarantee have been registered under the Securities Act and the Notes and the Guarantee may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Issuer and Guarantor are not required to register the Notes or the Guarantee under the Securities Act;
- (c) it agrees, on its own behalf and on behalf of any accounts for which it is acting as hereinafter stated, not to offer, sell or otherwise transfer Notes and the Guarantee except (i) to the Issuer or any affiliate thereof (subject to the terms of the Note Purchase Agreement); (ii) inside the United States to a person whom the seller reasonably believes is an Institutional Accredited Investor or a Qualified Institutional Buyer; or (iii) outside the United States to a non-U.S. Person in accordance with Rule 903 or Rule 904 under Regulation S; and
- (d) it understands that on any proposed resale of any Notes and the Guarantee, it and each subsequent holder will be required to deliver to the transferee of the Notes and the Guarantee, or any interest or participation therein, a notice substantially to the foregoing effect.

8 Financial Covenants

8.1 Financial condition

Each of the Issuer and Guarantor shall ensure that:

- (a) **RCV test:** as at any Calculation Date, the ratio of Consolidated Total Net Debt to RCV shall not exceed 0.95:1; and

- (b) **Interest cover:** Interest Cover in respect of any Calculation Period shall not be less than 2.00:1,

(the “**Financial Ratios**”).

8.2 Financial testing

The financial covenants set out in this Section 8 shall be calculated in accordance with the Applicable Accounting Principles and shall be tested by reference to each of the financial statements delivered pursuant to Section 12.1 (*Financial statements*) of the Note Purchase Agreement. No item shall be taken into account more than once in the calculation of any defined term used in this Section 8.

8.3 Equity cure

- (a) If the requirements of Section 8.1 (*Financial condition*) would not otherwise be met (the requirement that is not met being the “**Defaulted Financial Condition**”) then, prior to the date on which the Compliance Certificate setting out the calculations in respect of the relevant covenant determination is required to be delivered to the Purchasers pursuant to Section 12.2 (*Compliance Certificate*), Osprey Holdco Limited may either subscribe for shares in the Guarantor or one or more of the Guarantor’s direct or indirect shareholders may provide Subordinated Debt to the Guarantor (the “**Cure Subscription**”) in an amount at least sufficient for the amount necessary to cure the relevant breach by applying the cash proceeds of any Cure Subscription (the “**Cure Amount**”) in: (i) prepayment or purchase of secured Financial Indebtedness of the Issuer (at par); and/or (ii) making a deposit into an Equity Cure Account.
- (b) Any amount to be applied in prepayment or purchase of secured Financial Indebtedness of the Issuer or in making a deposit into an Equity Cure Account in accordance with paragraph (a) above shall be so applied at the discretion of the Issuer, save that any Purchaser may decline the application of any amounts by the Issuer in prepayment of the Notes, upon the occurrence of which the Issuer shall deposit such amounts into an Equity Cure Account.
- (c) The Cure Amount shall be made available after the last day of the Calculation Period by reference to which the applicable covenant is being tested but prior to the date of delivery to the Purchasers of the Compliance Certificate and shall be included in a recalculation of the covenants set out in Section 8.1 (*Financial condition*) by:
 - (i) (if the RCV test in paragraph (a) of Section 8.1 (*Financial condition*) is the Defaulted Financial Condition) deeming the Consolidated Total Net Debt as prepaid in an amount equal to the Cure Amount; or
 - (ii) (if the Interest Cover test in paragraph (b) of Section 8.1 (*Financial condition*) is the Defaulted Financial Condition) making a pro forma adjustment to the Consolidated EBITDA such that the Consolidated EBITDA is increased by an amount equal to the Cure Amount.
- (d) If, after giving effect to the recalculation referred to in paragraph (c) above, the requirements of Section 8.1 (*Financial condition*) are met, then the requirements of Section 8.1 (*Financial condition*) shall be deemed to have been satisfied as at the relevant original date of determination as though there had been no failure to comply with such requirements and the Event of Default occasioned thereby shall be deemed to have been remedied for the purposes of the Note Purchase Agreement.

- (e) The Cure Amount deposited into an Equity Cure Account, if any, will be released to the Guarantor if:
 - (i) all the financial conditions in Section 8.1 (*Financial condition*) are satisfied for a period of 12 months from the date of the relevant Compliance Certificate and remain in compliance at the time of such release from an Equity Cure Account (as demonstrated by the Compliance Certificate delivered at the time of such release); and
 - (ii) no Lock-Up Event is continuing.
- (f) Cure Subscriptions may not be made more than four times in any 6 year period and there shall be no consecutive Cure Subscriptions in relation to the breach of the same Defaulted Financial Condition.

8.4 Purpose

The Issuer shall apply all amounts received from the purchase of the Notes by the Purchasers for its general corporate purposes. For the avoidance of doubt, neither the Issuer nor the Guarantor may utilise any amounts received from the purchase of the Notes by the Purchasers to directly make or pay any distributions to the shareholders/parent companies of the Guarantor. No part of the proceeds from the sale of the Notes 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 Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any Securities under such circumstances as to involve the Issuer in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 10% of the value of the consolidated assets of the Issuer and its Subsidiaries and the Issuer does not have any present intention that margin stock will constitute more than 10% of the value of such assets. The terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

9 Interest

9.1 Determination of Interest of the Notes

- (a) The rate of interest on the Notes for any day during an Interest Period is the percentage rate per annum which is:
 - (i) in respect of the Fixed Rate Notes, the Fixed Rate; and
 - (ii) in respect of the Floating Rate Notes, the aggregate of the applicable:
 - (A) Margin; and
 - (B) Compounded Reference Rate for that day.
- (b) In respect of the Floating Rate Notes, if any day during an Interest Period for the Floating Rate Notes is not a Business Day, the rate of interest on the Floating Rate Notes for that day will be the rate applicable to the immediately preceding Business Day.

9.2 Notification of Interest of the Floating Rate Notes

- (a) The Issuer shall promptly upon a Compounded Rate Interest Payment being determinable notify each holder of a Floating Rate Note of:

- (i) the Compounded Rate Interest Payment and the proportion of that Compounded Rate Interest Payment which relates to the Floating Rate Notes held by that holder of a Floating Rate Note; and
 - (ii) each applicable rate of interest relating to the determination of that Compounded Rate Interest Payment.
- (b) This Section 9.2 shall not require the Issuer to make any notification to any Purchaser on a day which is not a Business Day.
- (c) If the Required Holders do not concur with any determination of the Compounded Rate Interest Payment by the Issuer, within three Business Days after receipt by the holders of a notice delivered by the Issuer pursuant to this Section 9.2, such Required Holders shall provide notice to the Issuer of their determination of the Compounded Rate Interest Payment, together with calculations in reasonable detail of each applicable rate of interest relating to the determination of that Compounded Rate Interest Payment. Following receipt of such notice from the Required Holders the Issuer shall re-determine the Compounded Rate Interest Payment by reference to the calculations provided by the Required Holders and shall promptly give notice to the holders of the Notes of the revised Compounded Rate Interest Payment. Any determination made in accordance with the provisions of this Section 9.2 shall be binding upon the Issuer absent manifest error.

9.3 Payment of Interest on the Notes

Subject to Section 29.2 (*Payments Due on Non-Business Days*), the Issuer shall pay accrued interest on each Note (subject to Section 10.3 (*Capitalisation*)) on each Interest Payment Date.

9.4 Daily Non-Cumulative Compounded RFR Rate

The Daily Non-Cumulative Compounded RFR Rate for any Business Day "i" during an Interest Period for a Note is the percentage rate per annum (without rounding, to the extent reasonably practicable for the Issuer or the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose) calculated as set out below:

$$(UCCDR_i - UCCDR_{i-1}) \times \frac{dcc}{n_i}$$

where:

"UCCDR_i" means the Unannualised Cumulative Compounded Daily Rate for that Business Day "i";

"UCCDR_{i-1}" means, in relation to that Business Day "i", the Unannualised Cumulative Compounded Daily Rate for the immediately preceding Business Day (if any) during that Interest Period;

"dcc" means 365 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number;

"n_i" means the number of calendar days from, and including, that Business Day "i" up to, but excluding, the following Business Day; and

the "Unannualised Cumulative Compounded Daily Rate" for any Business Day (the "Cumulated Business Day") during that Interest Period is the result of the below calculation (without rounding, to the extent reasonably practicable for the Company or the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose):

$$ACCDR \times \frac{tn_i}{dcc}$$

where:

"**ACCDR**" means the Annualised Cumulative Compounded Daily Rate for that Cumulated Business Day;

"**tn_i**" means the number of calendar days from, and including, the first day of the Cumulation Period to, but excluding, the Business Day which immediately follows the last day of the Cumulation Period;

"**Cumulation Period**" means the period from, and including, the first Business Day of that Interest Period to, and including, that Cumulated Business Day;

"**dcc**" has the meaning given to that term above; and

the "**Annualised Cumulative Compounded Daily Rate**" for that Cumulated Business Day is the percentage rate per annum (rounded to four decimal places, with 0.00005 being rounded upwards) calculated as set out below:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{DailyRate}_{i-LP} \times n_i}{dcc} \right) - 1 \right] \times \frac{dcc}{tn_i}$$

where:

"**d₀**" means the number of Business Days in the Cumulation Period;

"**Cumulation Period**" has the meaning given to that term above;

"**i**" means a series of whole numbers from one to d₀, each representing the relevant Business Day in chronological order in the Cumulation Period;

"**DailyRate_{i-LP}**" means, for any Business Day "i" in the Cumulation Period, the Daily Rate for the Business Day which is the applicable Lookback Period prior to that Business Day "i";

"**n_i**" means, for any Business Day "i" in the Cumulation Period, the number of calendar days from, and including, that Business Day "i" up to, but excluding, the following Business Day;

"**dcc**" has the meaning given to that term above; and

"**tn_i**" has the meaning given to that term above.

10 Interest Payment and Prepayment of the Notes

10.1 Maturity

Unless otherwise previously prepaid, or purchased and cancelled, as provided therein, the entire outstanding principal balance of each Note shall be due and payable by the Issuer on the Maturity Date thereof, together with all interest on such principal balance accrued to such date.

10.2 Allocation of partial prepayments

In the case of each partial prepayment of the Notes pursuant to this Section 10 (other than in relation to Section 11.5 (*Right of replacement or repayment and cancellation in relation to a single Purchaser*)), the principal amount of the Notes to be prepaid shall be allocated among all of the Notes being prepaid at such time in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment (or offered for prepayment).

The Issuer may elect to prepay the Notes by Series and, for the avoidance of doubt, may prepay the Floating Rate Notes without prepaying the Fixed Rate Notes (and *vice versa*).

10.3 Capitalisation

- (a) Subject to paragraphs (b) to (e) (inclusive) below, the Issuer may elect to capitalise interest accrued on the Notes in respect of a given Interest Period by giving written notice (the “**Capitalisation Notice**”) to the Purchaser(s) holding such Note(s) not less than 15 Business Days prior to the last day of such Interest Period. The Issuer shall promptly inform such Purchaser(s) of each such election by the Issuer.
- (b) If the Issuer elects to capitalise interest payable in respect of the Notes for an Interest Period in accordance with paragraph (a) above, then (subject to paragraph (e) below):
 - (i) subject to paragraph (c) below, on the last day of that Interest Period, such interest will automatically be capitalised and added to the principal amount of the Notes;
 - (ii) subject to paragraph (c) below, from (and including) such last day of that Interest Period, any references to the Notes or to the principal amount of the Notes (including, without limitation, for the purposes of interest accruing thereon in future Interest Periods) will include such capitalised interest in respect of that Interest Period added to its principal amount; and
 - (iii) the Issuer shall capitalise interest payable on each other PP Note to the extent it is permitted to do so.
- (c) Where interest is capitalised in accordance with paragraph (b) above, the interest payable in respect of the principal (including, but only from the commencement of the Interest Period following the delivery of a Capitalisation Notice, any capitalised interest) under the relevant Note shall be increased such that:
 - (i) in respect of the Fixed Rate Notes, the Fixed Rate shall be increased by 0.75 per cent. per annum; and
 - (ii) in respect of the Floating Rate Notes, the Margin shall be increased by 0.75 per cent. per annum,in each case as applicable, from and including the start of the Interest Period in respect of which a Capitalisation Notice is delivered until such time as any interest capitalised in accordance with this Section 10.3 has been repaid in full.
- (d) Unless otherwise previously prepaid in accordance with the other provisions of this Section 10, any interest on any Note that has been capitalised in accordance with this Section 10.3 shall be due and payable in full on the Maturity Date applicable to that Note.
- (e) Notwithstanding any other provision of this Section 10, while any Note(s) remain outstanding, the Issuer shall not be entitled to exercise its right to capitalise interest under this Section 10.3 for more than three different Interest Periods (whether such Interest Periods run consecutively or not) and in any event, no election to capitalise may be made where an Event of Default is continuing.

11 Payment and Prepayment of the Notes

11.1 Maturity; surrender, etc.

In the case of each prepayment of Notes pursuant to this Section 11, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and (if applicable pursuant to the terms of the Note Purchase Agreement) the Make-Whole Amount determined for such prepayment date with respect to such principal amount. From and after such date, unless the Issuer shall fail to pay in full such principal amount when so due and payable, together with the applicable interest and (if applicable) Make-Whole Amount, each as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Issuer and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

11.2 Illegality

If it becomes unlawful in any applicable jurisdiction for a Purchaser to perform any of its obligations as contemplated by the Note Purchase Agreement or to hold, fund or maintain its participation in any Note:

- (a) that Purchaser shall promptly notify the Guarantor upon becoming aware of that event;
- (b) upon the Purchaser notifying the Guarantor, the Purchaser's obligations under the Note Purchase Agreement will be immediately cancelled; and
- (c) to the extent that the Purchaser's participation in the Notes has not been transferred as contemplated by Section 11.5 (*Right of replacement or repayment and cancellation in relation to a single Purchaser*), the Issuer shall repay (without a Make-whole Amount) that Purchaser's participation in the Notes on the Interest Payment Date for each Note occurring after the Purchaser has notified the Guarantor or, if earlier, the date specified by the Purchaser in the notice delivered to the Issuer (being no earlier than the last day of any applicable grace period permitted by law) (the "**Relevant Date**") and that Purchaser's corresponding Note(s) shall be cancelled in the amount of the participations repaid. In the event that the Relevant Date occurs before Closing, the affected Purchasers' participation in the relevant Series of Notes (including, without limitation, such Purchasers' obligation to subscribe and pay for any such Notes) will be cancelled.

11.3 Change of Control

Upon the occurrence of:

- (a) a Guarantor Change of Control;
- (b) a disposal of any of the issued share capital of AWS such that it ceases to be a wholly-owned member of the Group; or
- (c) a disposal of all or substantially all of the assets of the Group (taken as a whole),

the following shall occur:

- (i) the Guarantor shall promptly notify the Purchasers upon becoming aware of that event;

- (ii) no Purchaser shall be obliged to purchase (and, without limitation, no Purchaser shall be obliged to subscribe for) the Notes where any of the events described in paragraph (a), (b) or (c) above occur before Closing; and
- (iii) if a Purchaser so requires, the Purchaser shall, by not less than 90 days' notice to the Guarantor, declare all outstanding Notes of that Purchaser, together with accrued interest, and all other amounts accrued in respect of that Purchaser under the Finance Documents immediately due and payable, whereupon all such outstanding amounts (without any Make-Whole Amount) will become immediately due and payable. Or, in the event that the occurrence of a Change of Control of the Guarantor occurs before Closing, if a Purchaser of the relevant Series of Notes so requires, that Purchaser's participation in that Series of Notes (including, without limitation, such Purchaser's obligation to subscribe and pay for any such Notes) will be cancelled.

"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 the Guarantor. For the purposes of this definition **"control"** of the Guarantor 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 the Guarantor;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Guarantor; or
 - (iii) give directions with respect to the operating and financial policies of the Guarantor with which the directors or other equivalent officers of the Guarantor are obliged to comply; and/or
- (b) the holding beneficially of more than one-half of the issued share capital of the Guarantor (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).

For the purposes of Section 11.6 (*Restrictions*), an entity which has satisfied the Investor KYC Condition in respect of some, but not all Purchasers, and which otherwise meets the requirements of an "Acceptable Investor" or "Acceptable Investor Affiliate" will be deemed to be an "Acceptable Investor" or "Acceptable Investor Affiliate" (as applicable) as regards those Purchasers in respect of which the Investor KYC Condition is satisfied, but shall not constitute an "Acceptable Investor" or "Acceptable Investor Affiliate" (as applicable) as regards those Purchasers in respect of which the Investor KYC Condition is not satisfied (each a **"Non-satisfied Purchaser"**) and in this event, the rights of Purchasers in paragraphs (c)(ii) and (c)(iii) above shall be deemed to apply to Non-satisfied Purchasers only.

11.4 Voluntary prepayment

- (a) The Issuer may, if it (or the Guarantor on its behalf) gives the Purchasers not less than five Business Days' (or such shorter period as the Purchasers may agree) prior notice, redeem the whole or any part of any Notes (but, if in part, being an amount that reduces the amount of the Notes by a minimum amount of £1,000,000, or if less, the aggregate outstanding principal amount of the Notes held by that Purchaser and provided that, as a result of and immediately following any such voluntary redemption of Notes in part, the aggregate

outstanding principal amount of Notes held by a Purchaser shall not be less than £1,000,000). Subject to Section 11.6 (*Restrictions*), any redemption in accordance with this Section 11.4 shall be without premium or penalty.

- (b) Notwithstanding paragraph (a) above and Section 11.6 (*Restrictions*) below, the Issuer may at any time redeem (in part or in full) any part of any Note representing capitalised interest in an amount up to the amount of any interest capitalised on such Note in accordance with Section 10.3 (*Capitalisation*) (and not previously prepaid) at par without any Make-Whole Amount, premium or penalty being applied to such redemption.
- (c) The Issuer may elect to prepay the Notes by Series and, for the avoidance of doubt, may prepay the Floating Rate Notes without prepaying the Fixed Rate Notes (and *vice versa*).

11.5 Right of replacement or repayment and cancellation in relation to a single Purchaser

- (a) If:
 - (i) any sum is payable to a Purchaser by the Issuer and the Guarantor pursuant to Section 11.2 (*Illegality*);
 - (ii) subject to paragraphs (b), (c) and (d) below, any sum payable to any Purchaser by the Issuer and the Guarantor is required to be increased under Section 15 (*Tax Gross-Up; FATCA Information*); or
 - (iii) any Purchaser claims indemnification from the Guarantor under Section 15.3 (*Tax Indemnity*) or Section 16 (*Increased Costs*),

the Issuer (or the Guarantor on its behalf) may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Purchaser notice of its intention to procure the repayment of that Purchaser's participation in the Notes or give the Purchaser notice of its intention to replace that Purchaser in accordance with paragraph (e) below.

- (b) If any sum payable to any Purchaser by the Issuer or Guarantor is required to be increased under Section 15.2 (*No Withholding*), the Issuer (or the Guarantor on its behalf) may, whilst the circumstance giving rise to the requirement for that increase continues, make an offer to that Purchaser to repay that Purchaser's participation in the Notes by delivering a notice to that effect to the relevant Purchaser.
- (c) If a Purchaser accepts an offer made by the Issuer under paragraph (b) above, the Issuer may, under paragraph (a) above, give the Purchaser notice of its intention to procure the repayment of that Purchaser's participation in the Notes in accordance with paragraph (e) below.
- (d) If a Purchaser declines (or fails to respond, within 15 Business Days of receipt of the notice referred to in paragraph (b) above, to) an offer made by the Issuer under paragraph (b) above, the provisions of Section 15.2(c)(i)(E) (as applicable) shall instead apply in respect of that circumstance and that Purchaser.
- (e) On the next relevant Interest Payment Date which falls after the Issuer (or the Guarantor on its behalf) has given notice under paragraphs (a) and (c) above (or, if earlier, the date specified by the Issuer) the Issuer shall (subject to the terms of the Intercreditor Agreement) repay that Purchaser's participation in each outstanding Note and all accrued interest and other amounts payable in relation thereto under the Finance Documents.

- (f) The Issuer (or the Guarantor on its behalf) may, in the circumstances set out in paragraph (a) above, on five Business Days' prior notice to the relevant Purchaser, replace that Purchaser by requiring that Purchaser to (and, to the extent permitted by law, that Purchaser shall) transfer in accordance with Section 17.2 (*Transfer and Exchange of Notes*) all (and not part only) of its rights and obligations under the Note Purchase Agreement to an Eligible Institution which confirms its willingness to assume and does assume all the obligations of the transferring Purchaser for a purchase price in cash or other cash payment payable at the time of the transfer equal to the outstanding principal amount of such Purchaser's participation in the outstanding Notes and all accrued interest, and other amounts payable in relation thereto under the Finance Documents (but without any Make-Whole Amount).
- (g) The replacement of a Purchaser pursuant to paragraph (f) above shall be subject to the following conditions:
 - (i) the Guarantor shall have no right to replace a Purchaser;
 - (ii) no Purchaser shall have any obligation to find a replacement Purchaser;
 - (iii) in no event shall the Purchaser replaced under paragraph (f) above be required to pay or surrender any of the fees received by such Purchaser pursuant to the Finance Documents; and
 - (iv) the Purchaser replaced under paragraph (f) above shall only be obliged to transfer its rights and obligations pursuant to paragraph (f) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.

11.6 Restrictions

- (a) Any notice of prepayment given by any Party under this Section 11.6 shall be irrevocable and, unless a contrary indication appears in the Note Purchase Agreement, shall specify the date or dates upon which the relevant prepayment is to be made and the amount of that prepayment.
- (b) Subject to paragraph (c) below, any prepayment of all or part of a Note under the Note Purchase Agreement shall be made together with accrued interest on the amount prepaid and without premium or penalty.
- (c) Any prepayment of all or part of a Note under the Note Purchase Agreement pursuant to Section 11.4 (*Voluntary prepayment*) (other than prepayment under paragraph (b) of Section 11.4 (*Voluntary prepayment*)) made during the Non-Call Period shall be made together with a prepayment fee in an amount equal to the applicable Make-Whole Amount.
- (d) The Issuer shall not repay or prepay all or any part of the Notes or cancel all or any part of the Notes except at the times and in the manner expressly provided for in the Note Purchase Agreement.

12 Information Undertakings

The undertakings in this Section 12 remain in force from the date of the Note Purchase Agreement for so long as any amount is outstanding under the Finance Documents.

12.1 Financial statements

The Guarantor shall supply to the Purchasers:

- (a) as soon as the same become available, but in any event within 150 days after the end of each of its financial years:
 - (i) its audited consolidated financial statements for that financial year;
 - (ii) the audited financial statements of the Issuer for that financial year; and
 - (iii) the audited financial statements of OAL and AWS for that financial year; and
- (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:
 - (i) its consolidated financial statements for that financial half year;
 - (ii) the financial statements of the Issuer for that financial half year; and
 - (iii) the financial statements of the OAL and AWS for that financial half year.

12.2 Compliance Certificate

- (a) The Guarantor shall supply to the Purchasers, with each set of financial statements delivered pursuant to paragraph (a)(i) or (b)(i) of Section 12.1 (*Financial statements*), a Compliance Certificate setting out (in reasonable detail):
 - (i) computations as to compliance with Section 8 (*Financial Covenants*); and
 - (ii) confirmation if a Lock-Up Event has occurred and is continuing, and if so, any steps taken to remedy such Lock-Up Event,in each case as at the date as at which those financial statements were drawn up.
- (b) Pursuant to paragraph (c) of Section 8.3 (*Equity cure*), the Guarantor shall, after a Cure Subscription is made, supply to the Purchasers a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Section 8 (*Financial Covenants*) as at the date such Cure Subscription is made, taking into account any relevant recalculations set out in paragraphs (c)(i) and (c)(ii) of Section 8.3 (*Equity cure*).
- (c) Each Compliance Certificate shall be signed by two directors of the Guarantor.
- (d) If the Required Holders notify the Guarantor or the Issuer that they have reason to believe that the computations set out in any Compliance Certificate are incorrect or misleading, the Purchasers will have the right to request that any Compliance Certificate shall be reported on by the Guarantor's Auditors who shall confirm the proper extraction of the numbers used in the computations referred to in paragraph (a) above in such manner (if any) and on such conditions and qualification as the Auditors specify.

12.3 Requirements as to financial statements

- (a) Each set of financial statements delivered by the Issuer or Guarantor pursuant to Section 12.1 (*Financial statements*) shall be certified by a director of the relevant company as giving a true and fair view of (if audited) or fairly representing (if unaudited) its (or, as the case may be, its consolidated) financial condition as at the end of and for the period in relation to which those financial statements were drawn up.

- (b) The Guarantor shall procure that each set of financial statements delivered pursuant to Section 12.1 (*Financial statements*) is prepared using the Applicable Accounting Principles unless, in relation to any set of financial statements, the Guarantor notifies the Purchasers that there has been a change in the Applicable Accounting Principles or the accounting practices (which the Guarantor shall do whenever such change would, in the reasonable opinion of the directors of the Guarantor, have a material effect on the calculation of the financial covenants set out in Section 8 (*Financial Covenants*)), in which case the Auditors of the Guarantor shall deliver to the Purchasers:
 - (i) a description of any change necessary for those financial statements to reflect the Applicable Accounting Principles, or accounting practices upon which the Guarantor's Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Purchasers, to enable the Purchasers to determine whether Section 8 (*Financial Covenants*) has been complied with and to make an accurate comparison between the financial position indicated in those financial statements and the Guarantor's Original Financial Statements.

12.4 Information: miscellaneous

The Guarantor shall supply to the Purchasers:

- (a) copies of all material documents dispatched by the Guarantor to its shareholders (or any class of them) (if it is a public company whose equity is admitted to trading on an EEA or UK regulated market or a stock exchange) or its creditors generally at the same time as they are dispatched;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Issuer or the Guarantor or any member of the OAL Group, and which might, if adversely determined, have a Material Adverse Effect;
- (c) promptly, such further information regarding the financial condition, operations and assets of any member of the OAL Group as any Finance Party may reasonably request (limited to no more than two occasions per Finance Party in each Financial Year, save for where a (i) Restricted Period, (ii) an Event of Default, or (iii) a "Trigger Event" (as defined in the Osprey MDA and/or the AWS MDA), has occurred and is continuing, in which case as may be reasonably requested by any Finance Party);
- (d) promptly upon request by any Purchaser, and to the extent not already publicly available, copies of any Compliance Certificate (as such term is defined in the Osprey MDA and the AWS MDA) which, in each case, has been delivered by OAL or AWS to any of its creditors;
- (e) (without limiting any of the obligations under Section 12.7 (*Notification of Default*)) details of any violation of any Sanctions, as soon as reasonably practicable following such violation provided that the Guarantor (or relevant member of the Group) shall be permitted, prior to notification, to first notify the relevant body, agency, regulatory authority or equivalent organisation (each, a "**Regulator**") which regulates such relevant Sanctions (such notification to be made as soon as reasonably practicable, taking into account any disclosure obligations under applicable law or regulation). To the extent that

such Regulator imposes confidentiality restrictions, the Guarantor (or the relevant member of the Group) shall not be required to notify the Purchasers to the extent it would contravene such confidentiality restrictions, provided that the Guarantor (or the relevant member of the Group) shall use reasonable endeavours to remove such restrictions; and

- (f) at the same time as it delivers the audited consolidated financial statements in accordance with Section 12.1 (*Financial statements*), AWS' annual performance report 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.

12.5 Presentations

The Guarantor shall supply to the Purchasers an annual presentation about the on-going business and financial performance of the Group.

12.6 Shareholder / creditor documents

The Guarantor shall supply to the Purchasers documents required by law to be dispatched by the Guarantor to its shareholders (or any class of them) or its creditors generally.

12.7 Notification of Default

- (a) Each of the Issuer and the Guarantor shall notify the Purchasers of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless the Issuer or the Guarantor is aware that a notification has already been provided by, respectively the other).
- (b) At the same time as the delivery of each Compliance Certificate in accordance with Section 12.2 (*Compliance Certificate*), the Guarantor shall certify to the Purchasers in such Compliance Certificate, that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

12.8 "Know your customer" checks

If:

- (a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of the Note Purchase Agreement;
- (b) any change in the status of the Issuer or the Guarantor or the composition of the direct or indirect shareholders of the Issuer or the Guarantor after the date of the Note Purchase Agreement;
- (c) a proposed assignment or transfer by a Purchaser of any of its rights and obligations under the Note Purchase Agreement to a party that is not a Purchaser prior to such assignment or transfer; or
- (d) it is the bona fide internal written compliance policy of any Purchaser to refresh periodic "know your customer" or similar identification procedures from time to time and such policy,

obliges any Purchaser (or, in the case of paragraph (c) above, any prospective new Purchaser) to comply with "know your customer" or similar identification procedures (or, in the case of paragraph (d) above, any additional "know your customer" or similar identification procedures) in circumstances where the

necessary information is not already available to it, each of the Issuer or the Guarantor shall promptly upon the request of any Purchaser supply, or procure the supply of, such documentation and other evidence as is reasonably requested by any Purchaser (for itself or, in the case of the event described in paragraph (c) above, on behalf of any prospective new Purchaser) in order for the Purchaser or, in the case of the event described in paragraph (c) above, any prospective new Purchaser to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

12.9 Notification of Trigger Event, Event of Default

The Issuer shall notify the Purchasers of the occurrence of:

- (a) any Trigger Event (as such term is defined in the Osprey MDA) under the Osprey Common Terms Agreement or any Trigger Event (as such term is defined in the AWS MDA) under the AWS Common Terms Agreement promptly upon becoming aware of the occurrence of such event; and
- (b) any Event of Default (as such term is defined in the Osprey MDA) under the Osprey Common Terms Agreement or any Event of Default (as such term is defined in the AWS MDA) under the AWS Common Terms Agreement promptly upon becoming aware of the occurrence of such event.

12.10 Notification of Restricted Period

The Issuer shall:

- (a) promptly notify the Purchasers of the commencement of any Restricted Period; and
- (b) 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 Purchasers details of the causes and effects of the restriction, the planned remedial action and the timetable for implementation of such remedial action.

12.11 Regulatory Information

The Issuer shall notify the Purchasers of all material certificates and responses provided by AWS or any member of the AWS Financing Group to any industry regulator (including Ofwat), which would reasonably be expected to be material and adverse and which relates to the creditworthiness of AWS or AWS' ability to perform its duties under the Instrument of Appointment, at the same time as such certificates or responses are provided to the regulatory body.

12.12 Notification of listing or delisting of the Notes

The Issuer shall promptly notify the Purchasers of any Listing and/or when any Listing ceases.

13 General Undertakings

The undertakings in this Section 13 remain in force from the date of the Note Purchase Agreement for so long as any amount is outstanding under the Finance Documents.

13.1 Authorisations

- (a) Each of the Issuer and the Guarantor shall promptly:
 - (i) obtain, comply with and do all that is necessary to maintain in full force and effect; and

- (ii) supply certified copies to the Purchasers of,
any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.
- (b) The Issuer and the Guarantor shall promptly make the registrations and comply with the other requirements specified in Section 6.5(c) (*Validity and admissibility in evidence*) in the Note Purchase Agreement.

13.2 Compliance with laws

Each of the Issuer and the Guarantor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.

13.3 Negative pledge

In this Section 13.3, "**Quasi-Security**" means an arrangement or transaction described in paragraph (b) below.

- (a) Neither the Issuer nor the Guarantor shall (and the Guarantor shall procure that no Non-Regulated Subsidiary will) create or permit to subsist any Security over any of its assets.
- (b) Neither the Issuer nor the Guarantor shall (and the Guarantor shall ensure that no Non-Regulated Subsidiary will):
 - (i) 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 Issuer or the Guarantor or any Non-Regulated Subsidiary;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) 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
 - (iv) 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.
- (c) Paragraphs (a) and (b) above do not apply to any Security or (as the case may be) Quasi-Security, which is:
 - (i) Permitted Security; or
 - (ii) a Permitted Transaction.

13.4 Merger

Neither Issuer nor the Guarantor shall enter into any amalgamation, demerger, merger or corporate reconstruction other than a Permitted Transaction.

13.5 Change of business

The Guarantor shall procure that no substantial change is made to the general nature of its business or the business of the Guarantor or the Group or the Issuer or the Guarantor from that carried on at the date of the Note Purchase Agreement.

13.6 Acquisitions

Neither the Issuer nor the Guarantor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to acquire any assets, which, taking into account such acquisition, would result in the ratio of Consolidated Total Net Debt to RCV as at the most recent Calculation Date exceeding 0.85:1.

13.7 Disposal of Regulated Business

The Guarantor shall not (and shall procure that no member of the 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 the Licence Holder where such disposal results in the Group ceasing to hold beneficially all of the issued share capital of the Licence Holder.

13.8 Loan or Credit

Neither the Issuer nor the Guarantor shall be a creditor in respect of any Financial Indebtedness, other than in respect of any Permitted Loan or Permitted Transaction or Permitted Guarantee.

13.9 Guarantees

Neither the Issuer nor the Guarantor shall incur or allow to remain outstanding any guarantee in respect of any obligation of any person, other than any Permitted Guarantee or Permitted Transaction.

13.10 Pari passu ranking

Each of the Issuer and the Guarantor shall ensure that at all times any secured and unsubordinated claims of a Purchaser against it under a Finance Document rank at least pari passu with the claims of all its unsecured and unsubordinated creditors, except those creditors whose claims are mandatorily preferred by laws of general application to companies.

13.11 Taxation

Each of the Issuer and the Guarantor shall duly and punctually pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

- (a) such payment is being contested in good faith;
- (b) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Purchaser under Section 12.1 (*Financial statements*); and
- (c) 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.

13.12 Amendments

Neither the Issuer nor the Guarantor shall amend, vary, novate, supplement, supersede, waive or terminate any term of its constitutional documents, the terms of any other Subordinated Debt made available to the Guarantor by any direct or indirect shareholder of the Guarantor or enter into any

agreement with any shareholders of the Guarantor or any of their Affiliates which is not a member of the Group except:

- (a) in writing in a way which could not be reasonably expected materially and adversely to affect the interests of the Purchasers; and
- (b) where applicable, and save in respect of any Subordinated Debt, on an arm's length basis.

13.13 Amendments to Financial Year and Accounting Reference Date

Save as required by law or by any regulatory body, the Guarantor will (and the Guarantor shall procure that each member of the Group shall) ensure that its accounting reference date shall fall on 31 March of each year.

13.14 Dividends and share redemption

So long as any Note is outstanding, the Issuer and the Guarantor shall not (and shall procure that no member of the Group shall) make any of the payments referred to below to any direct or indirect shareholder of the Guarantor or to any holder of Subordinated Debt, at any time at which: (i) the ratio of Consolidated Total Net Debt to RCV at the date the payment is made is more than 0.90:1; (ii) the MidCo RAR (as defined in the Osprey MDA) at the date the payment is made is more than 0.84:1; (iii) any Event of Default is continuing or would occur immediately after the making of the payment; (iv) at any time after a Nationalisation Legislation Event occurs and is continuing; (v) any "Trigger Event" (as defined in the Osprey MDA) occurs and is continuing under the Osprey Common Terms Agreement; (vi) any "Trigger Event" (as defined in the AWS MDA) under paragraph 1 (Financial Ratios) of part 1 of schedule 6 of the AWS Common Terms Agreement ("**AWS Financial Ratio Trigger Event**") occurs and is continuing under the AWS Common Terms Agreement; (vii) any "Trigger Event" (as defined in the AWS MDA) other than an AWS Financial Ratio Trigger Event occurs and is continuing for a period of greater than 6 months under the AWS Common Terms Agreement; or (viii) the Issuer has elected to capitalise any interest due in respect of any PP Note and such capitalised interest has not been repaid in full (together the events specified in (i) to (viii) above being the "**Lock-Up Events**" and each a "**Lock-Up Event**"):

- (a) declare, make or pay any dividend, charge, fee (including management, advisory or consultancy fees), pay any amount in relation to any 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) repay or distribute any dividend or share premium reserve,

(paragraphs (a) and (b) above each being a "**Distribution**" and each such payment restriction being "**Lock-Up**") other than in relation to the Guarantor only, a Permitted Distribution.

13.15 Holding Company undertakings

The Issuer and the Guarantors shall not trade, carry on any business, own any assets or incur any liabilities except for:

- (a) the provision of administrative services (excluding treasury services) to other members of the Group of a type customarily provided by the Guarantor to its Subsidiaries;
- (b) any business connected with the ownership of shares in its Subsidiaries, including but not limited to down-streaming of cash (including by share subscriptions or intercompany

loans), share capital reductions and payments of dividends and operating costs and expenses, in each case to the extent not restricted by the Finance Documents, maintaining intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, holding cash and Cash Equivalent Investments but only if those shares, credit balances, cash and Cash Equivalent Investments are subject to the Transaction Security;

- (c) any liabilities under the Transaction Documents, the Existing Finance Documents or Note Documents to which it is a party or as otherwise permitted under the Intercreditor Agreement and professional fees and administration costs in the ordinary course of business as a holding issuer;
- (d) as otherwise permitted in the Note Purchase Agreement; and
- (e) Tax liabilities imposed upon it or on its assets.

13.16 Financial Indebtedness

- (a) Except as permitted under paragraph (b) below, neither the Issuer nor the Guarantor shall incur or allow to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to Financial Indebtedness which is:
 - (i) Permitted Financial Indebtedness; or
 - (ii) a Permitted Transaction.

13.17 Cash balances

Without prejudice to the Guarantor's rights to make Cash Equivalent Investments, the Guarantor shall maintain all cash balances held by it in an account which is subject to Transaction Security pursuant to a Security Document entered into by the Guarantor.

13.18 Amendment to RCV

If, at any time, either the Issuer or the Guarantor agrees with any Secured Creditor Group (as defined in the Intercreditor Agreement) other than the Purchasers a definition of RCV (or any equivalent term) that the Issuer and the Guarantor shall promptly inform the Purchasers of such agreement and if, in the opinion of the Required Holders (acting reasonably), such definition is more favourable to the Purchasers than the definition of RCV in the Note Purchase Agreement, the Issuer and the Guarantor shall promptly (and, in any event, within five Business Days of the notification of the Purchaser) take such actions as may be required by the Purchasers (acting reasonably) to ensure that the definition of RCV in the Note Purchase Agreement is so amended.

13.19 Treasury Transactions

Neither the Issuer nor the Guarantor shall enter into a Treasury Transaction for speculation purposes.

13.20 Anti-layering

- (a) Other than as set out in paragraph (b) below, the Guarantor shall not, and shall procure that no other member of the Group will:
 - (i) incorporate a subsidiary which is intended to be primarily engaged in raising Financial Indebtedness; or
 - (ii) direct an existing Subsidiary to raise Financial Indebtedness,

(paragraphs (i) and (ii) above each being a “**Midco Financing**”) if, as a result of the Midco Financing, the debt obligations of the Issuer or the Guarantor would become structurally subordinated to the debt obligations of the Midco Financing.

- (b) Paragraph (a) above shall not apply to:
 - (i) any arrangement entered into in respect of any member of the AWS Financing Group and/or the Osprey Group (or any of the Issuer and the Guarantor (as defined in the Osprey MDA) which becomes party to such arrangement in respect of OAL);
 - (ii) any Permitted Financial Indebtedness or Financial Indebtedness incurred by any Non-Regulated Subsidiary prior to the Closing;
 - (iii) any inter-company loan arrangement made within the Group; or
 - (iv) any financial indebtedness howsoever incurred provided that any such indebtedness does not exceed in aggregate £5,000,000 (or its equivalent in other currencies) at any time.

13.21 Funneling

- (a) Subject to paragraph (b) below, any Financial Indebtedness provided by any Initial Investor, Initial Investor Affiliate, Acceptable Investor or Acceptable Investor Affiliate or any other direct or indirect shareholder of the Guarantor to a Subsidiary of the Guarantor must be made pursuant to Subordinated Debt and paid to the Guarantor in the first instance and then on-lent to the Issuer or the relevant member of the Group (to the extent applicable).
- (b) Paragraph (a) above shall not apply where any Permitted Financial Indebtedness (excluding for these purposes, Subordinated Debt) is provided to an Obligor or any Subsidiary of the Guarantor under an agreement entered into with a separate fund or entity of any Initial Investor, Initial Investor Affiliate, Acceptable Investor or Acceptable Investor Affiliate or any other direct or indirect shareholder of the Guarantor provided that such fund or entity is separately managed from the Initial Investors, Initial Investor Affiliates, Acceptable Investors or Acceptable Investor Affiliates and sufficient information barriers are erected and maintained between such party or parties and the manager of the fund or entity providing such Permitted Financial Indebtedness (the “**Separate Investment Vehicle**”).

13.22 Amendments to Midco or Opco financings

- (a) Subject to OAL and AWS and each of its affiliates’ compliance with laws and regulations, and any amendments required or reasonably necessary in OAL’s or AWS’s opinion as applicable (acting reasonably) pursuant to or in connection with the Instrument of Appointment, good industry practice in response to regulatory comment or in relation to operational or non-financial matters, Ofwat (or any successor thereto) or H.M. Government (or any body thereof) or any changes to accounting standards, the Guarantor shall procure that no member of the Osprey Group or AWS Financing Group (as applicable) shall agree to any amendment to the Osprey Common Terms Agreement, the Osprey MDA, the AWS Common Terms Agreement or the AWS MDA which:
 - (i) restricts, or has the effect of restricting, the ability of the Osprey Group or the AWS Financing Group to make Distributions in a manner that is materially more

restrictive than the Restricted Payment Condition (as defined in the Osprey MDA and the AWS MDA) as at the date of the Note Purchase Agreement; or

- (ii) includes, or has the effect of including, additional Trigger Events (as defined in the Osprey MDA and the AWS MDA) which could reasonably be expected to materially affect the current or future ability of OAL, AWS or AWSH to make any Distribution,

provided that, for these purposes, the provisions of the AWS Deed Poll shall be disregarded for the purposes of this undertaking.

- (b) The Purchasers shall (acting reasonably (taking into account a fair balance of the interests of the Osprey Group, the AWS Financing Group and the Purchasers)) negotiate in good faith with the Issuer and the Guarantors to agree any changes to the requirements of Section 8.1 (*Financial condition*) or the definition of “Lock-Up” (or any relevant underlying calculations or mechanics) requested by the Issuer as a result of changes made to the financial covenants set out in Part 3 (*Financial Covenants*) of Schedule 5 (*Covenants*) of the Osprey Common Terms Agreement, or Part 2 (*Financial Covenants*) of Schedule 5 (*Covenants*) of the AWS Common Terms Agreement or the Trigger Events to the extent that there would not be a material effect on the Issuer.

Where “**material**” and “**materially**” means affecting the ability of OAL, AWS or AWSH to make Distributions such that the Issuer, on a prudent basis and without taking into account other resources available to the Issuer, has sufficient funds to meet its payment obligations under the Notes.

13.23 Further assurance

- (a) Each of the Issuer and the Guarantor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) required to:
 - (i) 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 or the Finance Parties provided by or pursuant to the Finance Documents or by law;
 - (ii) confer on the Security Trustee Security over any property and assets of the Issuer and the Guarantor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Security Documents; and/or
 - (iii) facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) Each of the Issuer and the Guarantor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Trustee or the Finance Parties by or pursuant to the Finance Documents.

13.24 Arm's length transactions

Neither the Issuer nor the Guarantor shall enter into any material arrangements or contract with any person other than either the Issuer or the Guarantor unless such arrangement or contract is on an arm's length basis, other than:

- (a) any Permitted Transaction;
- (b) as expressly permitted under the Finance Documents;
- (c) as disclosed to Ofwat and not subject to an objection from Ofwat;
- (d) any business as usual contract or arrangement in place as at Closing (and any subsequent replacement contracts or arrangements) including in respect of IT services; or
- (e) as expressly disclosed to the Purchasers prior to Closing.

13.25 Anti-corruption law

- (a) Neither the Issuer nor the Guarantor shall (and the Guarantor shall ensure that no other member of the Group will) directly or indirectly use the proceeds of the Notes for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.
- (b) Each of the Issuer and the Guarantor shall (and the Guarantor shall ensure that each other member of the Group will):
 - (i) conduct its businesses in compliance with applicable anti-bribery and anti-corruption laws; and
 - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

13.26 Sanctions

- (a) Neither the Issuer nor the Guarantor shall (and the Guarantor shall ensure that no member of the Group will):
 - (i) contribute or otherwise make available all or any part of the proceeds of the Notes, 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 Group) including any Purchaser or any member of the 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 Purchaser or member of the Group to be in breach of, any Sanctions;
 - (iii) knowingly directly or indirectly lend, contribute, provide or otherwise make available the proceeds from any Note to fund any activity or business in any Sanctioned Country, or in any manner which would itself cause any Purchaser or a member of the 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 Group to the extent that such interest would cause any Purchaser or member of the 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 Group or any Purchaser being designated as a Sanctions Restricted Person; or
 - (vi) knowingly engage in any transaction that violates any Sanctions.
- (b) Each of the Issuer and the Guarantor shall ensure that appropriate controls and safeguards are in place designed to prevent any action being taken that would be contrary to paragraph (a) above.
 - (c) Neither the Issuer nor the Guarantor shall (and the Guarantor shall procure that no member of the Group will) become a Sanctions Restricted Person.
 - (d) No provision of this Section 13.26 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 Law.

13.27 Required Balance

The Issuer shall maintain:

- (a) in cash and/or Cash Equivalent Investments, in the Debt Service Reserve Account; and/or
- (b) in undrawn commitments under facilities provided to the Issuer and the Guarantor with a remaining availability period of at least 6 months,

an amount equal to the next 12 months' scheduled interest costs and other finance charges (but excluding any principal) forecast to be due on the Notes (after taking into account any hedging agreement then in place and disregarding any capitalisation of any scheduled interest costs or any increase in scheduled interest costs as a result of any capitalisation of interest in accordance with Section 10.3 (*Capitalisation*)) as determined by the Issuer.

13.28 Incurrence of Class B Debt by AWS

The Guarantor shall ensure that no member of the AWS Financing Group shall incur any further Class B Debt (as defined in the AWS MDA).

13.29 PSC regime

Each of the Issuer and the Guarantor must:

- (a) comply on time with any notice it receives under section 790D or 790E of the Companies Act 2006; and
- (b) promptly notify the Purchasers and 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.

13.30 Pensions

- (a) The Guarantor shall ensure that, to the extent that such Pension Schemes are for the benefit of directors, officers or employees of members of the 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 Guarantor and the pension trustees are unable to reach agreement, as imposed by the Pensions Regulator.
- (b) The Guarantor shall ensure that neither the Issuer nor the Guarantor (or member of its 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 not facts or circumstances which might reasonably be expected to give rise to the Pensions Regulator issuing a Contribution Notice or Financial Support Direction to either the Issuer or the Guarantor (or member of its Group) in respect of such Scheme.
- (c) The Guarantor shall promptly notify the Purchasers 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 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.
- (d) Each of the Issuer and the Guarantor shall, upon becoming aware, immediately notify the Purchasers 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.
- (e) Each of the Issuer and the Guarantor shall immediately notify the Purchaser 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.

13.31 Listing

- (a) The Issuer shall use reasonable endeavours to procure a listing (within the meaning of section 1005(3) ITA) of the Notes (a “**Listing**”) on an exchange which is a recognised stock exchange for the purposes of section 1005 ITA or admitted to trading on a multilateral trading facility operated by a regulated, recognised stock exchange (as that term is defined in section 987 of the ITA) (a “**Recognised Stock Exchange**”) on or before the first Interest Payment Date and thereafter, the Issuer shall use reasonable endeavours to maintain such Listing of the Notes on such Recognised Stock Exchange for to period up to and including the Maturity Date applicable to the Notes.
- (b) In the event that any Listing on a Recognised Stock Exchange ceases, the Issuer shall use reasonable endeavours to procure and maintain a Listing of the Notes on an alternative Recognised Stock Exchange as soon as reasonably practicable and, in any event, before the next Interest Payment Date applicable to the Notes.

14 Events of Default

Each of the events or circumstances set out in this Section 14 is an Event of Default (save for Section 14.21 (*Acceleration*)).

14.1 Non-payment

The Issuer or the Guarantor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
 - (i) administrative or technical error; or
 - (ii) a Disruption Event; and
- (b) payment is made within five Business Days of its due date.

14.2 Financial covenants

Any requirement of Section 8.1 (*Financial condition*) is not satisfied, subject to the operation of Section 8.3 (*Equity cure*).

14.3 Other obligations

- (a) Either the Issuer and the Guarantor does not comply with any provision of a Finance Document (other than those referred to in Section 14.1 (*Non-payment*) and Section 14.2 (*Financial covenants*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the Purchasers giving notice to either the Issuer and the Guarantor, as applicable, or either the Issuer and the Guarantor becoming aware of the failure to comply.

14.4 Misrepresentation

Any representation or statement made or deemed to be made by either the Issuer or the Guarantor in the Finance Documents or any other document delivered by or on behalf of any issuer and the Guarantor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and, if the circumstances causing such misrepresentation are capable of remedy the Issuer or the Guarantor shall have failed to remedy such circumstances within 15 Business Days after the earlier of the Purchasers giving notice to the Issuer or the Guarantor, as applicable, or either the Issuer and the Guarantor becoming aware of such misrepresentation.

14.5 Non-payment cross-default and cross acceleration

- (a) Any Financial Indebtedness owed by either the Issuer or the Guarantor under the Programme Notes is not paid on the due date thereof (after giving effect to any originally applicable grace period).
- (b) Any Financial Indebtedness owed by either the Issuer or the Guarantor under the Programme Notes is declared or otherwise becomes due and payable prior to its specified maturity by reason of default.
- (c)
 - (i) any commitment for any Financial Indebtedness owed by either the Issuer or the Guarantor (other than in relation to the Programme Notes) is cancelled or suspended by a creditor of that the issuer and the Guarantor;

- (ii) any creditor of the Issuer or the Guarantor becomes entitled to declare any Financial Indebtedness of the Issuer or the Guarantor, as applicable, (other than in relation to the Programme Notes) due and payable prior to its specified maturity; or
- (iii) any Financial Indebtedness owed by either the Issuer or the Guarantor (other than in relation to the Programme Notes) is declared to be or otherwise becomes due and payable prior to its scheduled maturity date,

in each case as a result of a default or event of default (howsoever described), provided that no Event of Default will occur under this paragraph (c) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within this paragraph (c) is less than £20,000,000 (or its equivalent in any other currency or currencies).

14.6 Insolvency

- (a) A member of the Material Non-Regulated Group or a member of the Group which is a Regulated Entity is unable to pay its debts as they fall due within the meaning of section 123(1) of the Insolvency Act 1986 (save that for the purposes of section 123(1)(a) of the Insolvency Act 1986, the reference to £750 shall be deemed to be a reference to £1,000,000) or admits it is unable to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) A moratorium is declared in respect of any indebtedness of any member of the Material Non-Regulated Group or a member of the Group which is a Regulated Entity. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

14.7 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Material Non-Regulated Group or a member of the Group which is a Regulated Entity, other than the solvent liquidation, removal, striking off, winding up of any Subsidiary of OAL provided that no Material Adverse Effect is likely to occur as a result of such action;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any member of the Material Non-Regulated Group or a member of the Group which is a Regulated Entity;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the Material Non-Regulated Group or a member of the Group which is a Regulated Entity or any of its assets, other than in relation to the solvent liquidation, removal, striking off, winding up of any Subsidiary of OAL provided that no Material Adverse Effect is likely to occur as a result of such action;

- (iv) enforcement of any Security over any assets of any member of the Material Non-Regulated Group or a member of the Group which is a Regulated Entity; or
 - (v) or any analogous procedure or step is taken in any jurisdiction.
- (b) Paragraph (a) above shall not apply to:
- (i) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement or, if earlier, the date on which it is advertised; or
 - (ii) any step or procedure contemplated by paragraph (b) of the definition of “Permitted Transaction”.

14.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of a member the Material Non-Regulated Group or a member of the Group which is a Regulated Entity having an aggregate value of £10,000,000 and is not discharged within 14 Business Days.

14.9 Unlawfulness

- (a) It is or becomes unlawful for either the Issuer or the Guarantor to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Security Documents ceases to be effective or any subordination created under the Intercreditor Agreement is or becomes unlawful.
- (b) Any obligation or obligations of either the Issuer or the Guarantor under any Finance Document are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively has a Material Adverse Effect.
- (c) Any Finance Document ceases to be in full force and effect or any Transaction Security or any subordination created under the Intercreditor Agreement ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Purchaser) to be ineffective.

14.10 Intercreditor Agreement

- (a) Any party to the Intercreditor Agreement (other than a Secured Creditor or either the Issuer or the Guarantor fails to comply with the provisions of, or does not perform its obligations under, the Intercreditor Agreement; or
- (b) a representation or warranty given by that party in the Intercreditor Agreement is incorrect in any material respect,

and, if the non-compliance or circumstances giving rise to the misrepresentation are capable of remedy, it is not remedied within 15 Business Days of the earlier of either the Issuer or the Guarantor or a Purchaser giving notice to that party or that party becoming aware of the non-compliance or misrepresentation.

14.11 Audit qualification

The auditors of the Group qualify the audited annual consolidated financial statements of the Guarantor and such qualification is in respect of matters which have, or could reasonably be expected to have, a Material Adverse Effect.

14.12 Repudiation

Either the Issuer or the Guarantor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to repudiate a Finance Document or any Transaction Security.

14.13 Pensions

The Pensions Regulator issues a Financial Support Direction or a Contribution Notice to any member of the Group which has or could reasonably be expected to have a Material Adverse Effect.

14.14 Material adverse change

Any event or circumstance occurs which has or could reasonably be expected to have, in the reasonable opinion of the Purchasers, a Material Adverse Effect.

14.15 Application by the Secretary of State or Ofwat

The Secretary of State or Ofwat or the Board of Ofwat makes an application for an order of the High Court directing that any Regulated Entity's business be managed by a person appointed by the High Court because such Regulated Entity has materially breached any principal duty or any enforcement order, is insolvent or the Secretary of State determines that such Regulated Entity should be liquidated.

14.16 Loss of appointment

A loss or notice of loss of appointment under section 7 of WIA occurs in respect of any Regulated Entity.

14.17 Loss of licence

- (a) The Instrument of Appointment is terminated, revoked or rescinded and is not replaced on materially similar terms.
- (b) Any member of the Group receives notice that the Instrument of Appointment will be wholly or partially terminated, revoked or rescinded in such 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").

14.18 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.

14.19 AWS or Osprey default

An "**Event of Default**" (as defined in the AWS MDA) occurs and is continuing under the AWS Common Terms Agreement and is not remedied within any applicable grace period, or an "**Event of Default**" (as defined in the Osprey MDA) occurs and is continuing under the Osprey Common Terms Agreement and is not remedied within any applicable grace period.

14.20 Nationalisation Event

The authority or ability of any member of the Group to conduct its business is limited or wholly or substantially curtailed by any Nationalisation Event which has, or could reasonably be expected to have, a Material Adverse Effect (it being agreed for these purposes that where any event of default in respect of nationalisation occurs under the AWS Common Terms Agreement, a Material Adverse Event will have occurred).

14.21 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Required Holders may by notice to the Guarantor:

- (a) declare that all or part of the Notes, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (b) declare that all or part of the Notes be payable on demand, at which time they shall immediately become payable on demand by the Required Holders; and/or
- (c) exercise or direct the Security Trustee to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

15 Tax Gross-Up; FATCA Information

15.1 Definitions

“**Cancelled Certificate**” means any QPP Certificate in respect of which H.M. Revenue & Customs has given a notification under regulation 7(4)(b) of the QPP Regulations so that such QPP Certificate is a cancelled certificate for the purposes of the QPP Regulations;

“**Company DTTP Filing**” means an H.M. Revenue & Customs’ Form DTTP2 duly completed and filed by either the Issuer or the Guarantor, which:

- (a) where it relates to a Treaty Holder that becomes a holder on the date of the Note Purchase Agreement, contains the HMRC DT Treaty Passport Number and jurisdiction of tax residence stated in respect of that holder’s name, and is filed with H.M. Revenue & Customs within 30 days of the date of the Note Purchase Agreement; or
- (b) where it relates to a Treaty Holder that becomes a holder after the date of the Note Purchase Agreement, contains the HMRC DT Treaty Passport Number and jurisdiction of tax residence stated in respect of that holder in the Transferee Tax Letter which that holder executes and delivers to the Issuer and the Guarantor, as applicable on becoming a holder, and is filed with H.M. Revenue & Customs within 30 days of the date on which the Issuer or the Guarantor receives such Transferee Tax Letter.

“**Connected Holder**” means a holder that is a connected person in respect of the Issuer for the purposes of the QPP Regulations.

“**CTA**” means the United Kingdom Corporation Tax Act 2009.

“**FATCA Deduction**” means a deduction or withholding from a payment under the Note Purchase Agreement or the Notes required by FATCA.

“**ITA**” means the United Kingdom Income Tax Act 2007.

“Protected Party” means a holder which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“Purchaser” or **“Purchasers”** means each of the purchasers that has executed and delivered the Note Purchase Agreement to the Issuer and such Purchaser’s successors and assigns (so long as any such assignment complies with Section 17.2 (*Transfer and Exchange of Notes*)), provided, however, that any holder of a Note that ceases to be the registered holder or a beneficial owner (through a nominee) of such Note as the result of a transfer thereof pursuant to Section 17.2 (*Transfer and Exchange of Notes*) shall cease to be included within the meaning of “Purchaser” of such Note for the purposes of the Note Purchase Agreement upon such transfer.

“QPP Certificate” means a creditor certificate for the purposes of the QPP Regulations, given, whether in the case of any holder which becomes a Party on the day on which the Note Purchase Agreement is entered or in the case of a transferee holder, in relation to each person which is beneficially entitled to the interest payable on the Notes and in the form set out in the Note Purchase Agreement.

“QPP Holder” means a holder which has delivered a QPP Certificate to the Issuer (on behalf of itself or on behalf of each creditor (as defined in the QPP Regulations) which is beneficially entitled to the interest payable on the Notes), provided in each case that:

- (a) such QPP Certificate has not been withdrawn by the holder or cancelled by H.M. Revenue & Customs or has otherwise become a Withdrawn Certificate or a Cancelled Certificate;
- (b) the holder has not been notified by the Issuer that it is a Connected Holder; and
- (c) in the case of a holder that becomes a holder after the date of the Note Purchase Agreement, the principal amount outstanding of any Note transferred to that holder was at least £10,000,000 on the relevant transfer date.

“QPP Regulations” shall be construed to mean the Qualifying Private Placement Regulations 2015 (2015 No. 2002).

“Qualifying Holder” means:

- (a) a holder which is beneficially entitled to interest payable to that holder in respect of the Notes and is:
 - (i) a holder:
 - (A) which is a bank (as defined for the purpose of section 879 ITA) and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of the Notes or would be within such charge as respects such payments apart from section 18A of the CTA; or
 - (B) in respect of Notes in relation to which the holder was a person that was a bank (as defined for the purpose of section 879 ITA) at the time that they subscribed for the Notes and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of the Notes; or,
 - (ii) a holder which is:
 - (A) a company resident in the United Kingdom for United Kingdom tax purposes;

- (B) a partnership each member of which is:
 - (I) a company so resident in the United Kingdom; or
 - (II) 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 CTA) the whole of any share of interest payable in respect of the Notes that falls to it by reason of Part 17 of the CTA; or
 - (C) 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 the Notes in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or
- (b) a holder which is:
 - (i) the “scheme administrator” of a “registered pension scheme” (as those terms are defined in section 989 ITA); or
 - (ii) any other person or body listed in section 936(2) ITA; or
 - (c) a Treaty Holder; or
 - (d) a QPP Holder; or
 - (e) a holder which is a building society (as defined for the purpose of section 880 ITA).

“**Tax Authority**” means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world, including H.M. Revenue & Customs.

“**Tax Confirmation**” means a confirmation by a holder either:

- (a) that the person beneficially entitled to interest payable to that holder in respect of the Notes is either:
 - (i) a company resident in the United Kingdom for United Kingdom tax purposes;
 - (ii) 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 CTA) the whole of any share of interest payable in respect of the Notes that falls to it by reason of Part 17 of the CTA; 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 interest payable in respect of the Notes in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or
- (c) that it is a “scheme administrator” of a “registered pension scheme” (as those terms are defined in section 989 ITA) or any other person or body listed in section 936(2) ITA.

“**Tax Credit**” means a credit against, relief or remission for, or repayment of any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under the Note Purchase Agreement or the Notes, other than a FATCA Deduction.

“**Tax Payment**” means either the increase in a payment made by an Obligor to a holder of a Note under Section 15.2 (*No Withholding*) or a payment under Section 15.3 (*Tax Indemnity*).

“**Transferee Tax Letter**” means a letter substantially in the form set out in the Note Purchase Agreement (or in any other form agreed by the Company) executed by both a holder wishing to transfer Notes and the relevant transferee and delivered to the Company.

“**Treaty Holder**” means a holder which is not a QPP Holder and:

- (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 holder's holding of the Notes is effectively connected; and
- (c) meets all other conditions in the relevant Treaty for full exemption from tax imposed by the United Kingdom on interest, except that for this purpose it shall be assumed that any necessary procedural formalities (that are outside the exclusive control of the holder) are satisfied.

“**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.

“**UK Non-Bank Holder**” means:

- (a) a holder which is specified as a UK Non-Bank Holder in the Note Purchase Agreement the Note Purchase Agreement; and
- (b) a holder that becomes a holder after the date of the Note Purchase Agreement which gives a Tax Confirmation in the documentation which it executes on becoming a Party as a holder.

“**Withdrawn Certificate**” means a withdrawn certificate for purposes of the QPP Regulations.

15.2 No Withholding

- (a) All payments whatsoever under the Note Purchase Agreement to be made to any holder by either the Issuer or the Guarantor will be made free and clear of, and without liability for, any Tax Deduction imposed or levied by or on behalf of any jurisdiction, or any authority therein or thereof having power to tax (any jurisdiction imposing or levying such a Tax Deduction being a “**Taxing Jurisdiction**”), unless the withholding or deduction of such Tax is required by law.
- (b) The Issuer or the Guarantor shall, promptly upon becoming aware that it must make such a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction), notify the holder of the relevant Note accordingly. Similarly, the holder of any Note shall promptly notify the Issuer or the Guarantor on becoming so aware in respect of a payment payable to such holder.
- (c) If any Tax Deduction shall at any time be required in respect of any amounts to be paid by an issuer and the Guarantor under the Note Purchase Agreement or the Notes to a holder,

the Issuer and the Guarantor will pay such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of the Note Purchase Agreement or the Notes after such Tax Deduction or payment leave an amount equal to the amount which would have been due to such holder under the terms of the Note Purchase Agreement or the Notes had no such Tax Deduction been required, except that no such additional amounts shall be payable in respect of:

- (i) any Tax imposed by the United Kingdom if on the date the payment falls due:
 - (A) the payment could have been made to the relevant holder without a Tax Deduction on account of Tax imposed by the United Kingdom if the holder had been a Qualifying Holder, but on that date that holder is not or has ceased to be a Qualifying Holder other than as a result of any change after the date it became a holder in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or
 - (B) the relevant holder is a Qualifying Holder solely by virtue of paragraph (a)(ii) or (b) of the definition of "Qualifying Holder" and:
 - (I) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a "**Direction**") under section 931 ITA which relates to the payment and that holder has received from the Issuer or the Guarantor, as applicable making the payment a certified copy of that Direction; and
 - (II) the payment could have been made to the holder without any Tax Deduction if that Direction had not been made; or
 - (C) the relevant holder is a Qualifying Holder solely by virtue of paragraph (a)(ii) or (b) of the definition of "Qualifying Holder" and:
 - (I) the relevant holder has not given a Tax Confirmation to the Company; and
 - (II) the payment could have been made to the holder without any Tax Deduction if the holder had given a Tax Confirmation to the Company, on the basis that the Tax Confirmation would have enabled the Company to have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 ITA;
 - (D) the relevant holder is a Treaty Holder and the Issuer or the Guarantor making the payment is able to demonstrate that the payment could have been made to the holder without a Tax Deduction had that holder complied with paragraphs (e), (f) and (g) below;
 - (E) the relevant holder has declined (or failed to respond to) an offer made by the Company under Section 11.5(b), in accordance with Section 11.5(d); or
 - (ii) any FATCA Deduction.
- (d) If either the Issuer or the Guarantor is required to make a Tax Deduction, the Issuer or the Guarantor, as applicable shall make that Tax Deduction and any payment required in

connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

- (e) Subject to paragraphs (f) and (g) below, a Treaty Holder and each of the Issuer and the Guarantor which makes a payment to which such Treaty Holder is entitled shall co-operate in promptly completing any procedural formalities necessary for the Issuer or the Guarantor to obtain authorisation to make a payment to which that Treaty Holder is entitled without a Tax Deduction. In particular a Treaty Holder shall promptly (unless it is unable to do so as a result of any change after the date it becomes a Party in (or in the interpretation, administration or application of) any law or Treaty, or any published practice or concession of any relevant taxing authority):
 - (i) file with the appropriate taxing authority a duly completed application form for relief from double taxation in respect of payments by the Issuer and provide the Issuer with reasonably satisfactory evidence that such form has been filed; and
 - (ii) in the event that such authorisation is granted subject to an expiry date and, at the date three months prior to such expiry date, such Treaty Holder remains a Treaty Holder, the Treaty Holder shall promptly make a further filing for the previously granted authorisation to be extended and provide the Issuer with reasonably satisfactory evidence that such form has been filed;
 - (iii) without prejudice to paragraph (b) above, in the event that authorisation for the Issuer or Guarantor to make a payment to which a Treaty Holder is entitled without a Tax Deduction is granted subject to a condition which may result in such authorisation ceasing to have effect in the event of a change in the residence status or business details or similar of such Treaty Holder, and there is such a change, such Treaty Holder shall (unless it is unable to do so as a result of any change after the date it becomes a Party in (or in the interpretation, administration or application of) any law or Treaty, or any published practice or concession of any relevant taxing authority) co-operate in promptly completing any procedural formalities necessary for the Issuer or the Guarantor to make a payment to which that Treaty Lender is entitled to continue to have authorisation to make that payment without a Tax Deduction.

This Section 15.2 shall also apply where a holder increases the aggregate principal amount of Notes it holds where any existing authorisation does not extend to such increased holding of Notes. In the event that the Guarantor becomes required to make payments under the Note Purchase Agreement to such Treaty Holder, the obligations in this paragraph (e) to file applications for relief from double taxation in respect of payments by the Issuer and provide evidence of such applications to the Issuer shall, following receipt of a written notice from the Issuer or the Guarantor to the relevant Treaty Holder notifying that Treaty Holder of the requirement to file an application for relief from double taxation in respect of payments by the Guarantor, be deemed to be obligations to file applications for relief from double taxation in respect of payments by the Guarantor and to provide evidence of such applications to the Guarantor.

- (f)

- (i) A Treaty Holder which becomes a holder on the date of the Note Purchase Agreement that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to the Note Purchase Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence opposite its name in the Note Purchase Agreement; and
 - (ii) a Treaty Holder that becomes a holder after the date of the Note Purchase Agreement that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to the Note Purchase Agreement, shall provide its scheme reference number and its jurisdiction of tax residence in the Transferee Tax Letter which it executes and delivers to the Issuer on becoming a holder,
- and such a Treaty Holder shall be deemed to have satisfied the requirements of paragraph (e) above.
- (g) If a holder has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (f) above and:
 - (i) either the Issuer or the Guarantor has not made an Issuer DTTP Filing in respect of that holder, or either the Issuer or the Guarantor has made an Issuer DTTP Filing in respect of that holder but:
 - (A) that Issuer DTTP Filing has been rejected by H.M. Revenue & Customs; or
 - (B) H.M. Revenue & Customs has not given the Issuer and the Guarantor authority to make payments to that holder without a Tax Deduction within 30 Business Days of the date of the Issuer DTTP Filing; or
 - (C) H.M. Revenue & Customs has given the Obligor authority to make payments to that holder without a Tax Deduction but such authority has subsequently been revoked or expired or has otherwise terminated or is due to otherwise terminate or expire within the next three (3) months,

and in each case, the Issuer or the Guarantor has notified that holder in writing, that holder and the issuer or the Guarantor shall co-operate in completing any additional procedural formalities necessary for the Issuer and the Guarantor to obtain authorisation to make that payment without a Tax Deduction; or
 - (ii) either the Issuer or the Guarantor has made the relevant Issuer DTTP Filing, it shall promptly deliver a copy of that Issuer DTTP Filing to the relevant holder.
 - (h) If a holder has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with paragraph (f) above, neither the Issuer nor the Guarantor shall make an Issuer DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that holder's holding of the Notes unless the holder otherwise agrees.
 - (i) A holder which is a UK Non-Bank Holder or the "scheme administrator" of a "registered pension scheme" (as those terms are defined in section 989 ITA) or any other holder who is a person or body listed in section 936(2) ITA gives a Tax Confirmation to the Issuer by entering into the Note Purchase Agreement and a UK Non-Bank Holder or holder who is the scheme administrator of a registered pension scheme or who is a person or body listed in section 936(2) ITA shall promptly notify the Issuer if there is any change in the position from that set out in the Tax Confirmation (including as to the category within section 936(2) ITA into which it has indicated on the Tax Confirmation that it falls).

- (j) Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Issuer or the Guarantor making the payment shall deliver to the holder entitled to the payment evidence reasonably satisfactory to that holder that the Tax Deduction has been made and any appropriate payment paid to the relevant Tax Authority.
- (k) The obligations of the Issuer under this Section 15 shall survive the payment or transfer of any Note and the provisions of this Section 15 shall also apply to successive transferees of the Notes (subject to the provisions of Section 17.2 (*Transfer and Exchange of Notes*)).
- (l) Each holder of a Note which intends to become a QPP Holder shall deliver a QPP Certificate on the date it becomes party to the Note Purchase Agreement.
- (m) If a holder of a Note who is beneficially entitled to interest payable on such Note intends to become a QPP Holder and is unable to produce a QPP Certificate in relation to itself, that holder of a Note shall not be treated as a QPP Holder until such time as it delivers the appropriate QPP Certificate.
- (n) Each QPP Holder shall promptly:
 - (i) notify the Issuer if, after it has delivered a QPP Certificate to the Issuer, there is a change in the persons who are beneficially entitled to the interest payable on the Notes; and
 - (ii) notify the Issuer upon becoming aware that a QPP Certificate which it has provided to the Issuer has become a Withdrawn Certificate or a Cancelled Certificate.
- (o) If the Issuer receives a notification from HM Revenue & Customs that a QPP Certificate given by a holder has no effect, the Issuer shall promptly deliver a copy of that notification to that holder.

15.3 Tax Indemnity

- (a) The Issuer shall (or shall procure that the Guarantor shall) (within three (3) Business Days of demand by a Protected Party) pay to the Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of the Note Purchase Agreement or the Notes.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a holder:
 - (A) under the law of the jurisdiction in which that holder is incorporated (or otherwise established) or, if different, the jurisdiction (or jurisdictions) in which that holder is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which the permanent establishment through which it holds its Notes is located in respect of amounts received or receivable in that jurisdiction and attributable to such presence,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that holder;

or

- (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Section 15.2 (*No Withholding*);
 - (B) would have been compensated for by an increased payment under Section 15.2 (*No Withholding*) but was not so compensated solely because one of the exclusions in Section 15.2 (*No Withholding*) applied;
 - (C) relates to a FATCA Deduction required to be made by a Party;
 - (D) arises in respect of any stamp duty, registration or similar Taxes payable in respect of an assignment or transfer by a holder of any of its rights or obligations under the Note Purchase Agreement or the Notes; or
 - (E) is attributable to VAT (which shall instead be dealt with pursuant to Section 15.7 (*VAT*)).
- (c) A Protected Party making, or intending to make, a claim under paragraph (a) above shall promptly notify the Issuer of the event which will give, or has given, rise to the claim.
- (d) A Protected Party shall, on receiving a payment from the Issuer or the Guarantor under this Section 15.3 notify the Issuer.

15.4 Tax Credit

- (a) If any Tax Payment is made by the Issuer to or for the account of the holder of any Note and such holder determines that:
 - (i) a Tax Credit is attributable to the increased payment of which that Tax Payment forms part; the Tax Payment itself or a deduction in consequence of which that Tax Payment was required; and
 - (ii) such holder has obtained and utilised that Tax Credit, such holder shall reimburse to the Issuer such amount as such holder shall determine will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Issuer. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its affairs (tax or otherwise) in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim or oblige any holder of any Note to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.
- (b) The provisions of paragraph (a) above shall remain binding on each person which has received a Tax Payment notwithstanding that such person may have ceased to be a party to this Agreement.

15.5 Holder status confirmation

Each Holder that becomes a holder after the date of this Agreement shall indicate, in the documentation which it executes on becoming a Holder, including the Transferee Tax Letter which of the following categories it falls in:

- (a) a Qualifying Holder (other than Treaty Holder or a QPP Holder);

- (b) a Treaty Holder;
- (c) a QPP Holder;
- (d) not a Qualifying Holder.

If such a Holder fails to indicate its status in accordance with this Section 15.5 then that Holder shall be treated for the purposes of this Agreement and the Notes (including by each Obligor) as if it is not a Qualifying Holder until such time as it notifies the Company which category applies. For the avoidance of doubt, the documentation which a Holder executes on becoming a Party shall not be invalidated by any failure of a Holder to comply with this Section 15.5.

15.6 Stamp Taxes

The Issuer shall (or procure that either an Issuer or the Guarantor shall) pay and, within three (3) Business Days of demand, indemnify each holder against any cost, loss or liability that holder incurs in relation to all stamp duty, registration and other similar taxes payable in respect of the Note Purchase Agreement, save to the extent such taxes relate to any voluntary transfer or assignment.

15.7 VAT

- (a) All amounts expressed to be payable under the Note Purchase Agreement or the Notes by any Party to a holder of Notes which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and, accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any holder of Notes to any Party under the Note Purchase Agreement or the Notes and such holder is required to account to the relevant tax authority for the VAT, that Party shall pay to such holder (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such holder shall promptly provide an appropriate VAT invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any holder of Notes (the “**Supplier**”) to any other holder of Notes (the “**Recipient**”) under the Note Purchase Agreement or the Notes, and any Party other than the Recipient (the “**Relevant Party**”) is required by the terms of the Note Purchase Agreement or the Notes to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
 - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party shall also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient shall (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party shall promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

- (c) Where the Note Purchase Agreement or the Notes require any Party to reimburse or indemnify a holder of the Notes for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such holder for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such holder reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Section 15.7 to any Party shall, at any time when such Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in section 43 of the Value Added Tax Act 1994, in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union) or any other similar provision in any jurisdiction other than the United Kingdom or a member state of the European Union) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or head) of that group or unity (or fiscal unity) at the relevant time (as the case may be).
- (e) In relation to any supply made by a holder of Notes to any Party under the Note Purchase Agreement or the Notes, if reasonably requested by such holder of Notes, that Party shall promptly provide such holder with details of that Party's VAT registration and such other information as is reasonably requested in connection with such holder's VAT reporting requirements in relation to such supply.

15.8 FATCA Information

- (a) Subject to paragraph (c) below, each of the Issuer and the Purchasers (each a "**Party**") shall, within 10 Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of the other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Purchaser to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

- (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

15.9 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Purchaser to whom it is making the payment and, in addition, shall notify the Guarantor and the Purchasers.

16 Increased Costs

16.1 Increased Costs

- (a) Subject to Section 16.3 (*Exceptions*) the Guarantor shall, within three Business Days of a demand by any Finance Party, pay for the account of that Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation, (ii) compliance with any law or regulation made after the date of the Note Purchase Agreement or (iii) any introduction, change or clarification or publication relating to Basel III or CRD IV to the extent such increased costs were not capable of being calculated with sufficient accuracy prior to the date of the Note Purchase Agreement due to a lack of clarity or detail in Basel III or CRD IV and/or any related information from a banking regulator available on the date of the Note Purchase Agreement.
- (b) In the Note Purchase Agreement:
 - “**Basel III**” means:
 - (i) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010 each as amended, supplemented or restated;

- (ii) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (iii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to Basel III.

“**CRD IV**” means UK CRD IV and EU CRD IV.

“**EU CRD IV**” means:

- (i) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (“**CRR**”); and
- (ii) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (“**CRD**”),
- (iii) each in the form existing on the date of the Note Purchase Agreement.

“**Increased Costs**” means:

- (i) a reduction in the rate of return from the Notes or on a Finance Party's (or its Affiliate's) overall capital;
- (ii) an additional or increased cost; or
- (iii) a reduction of any amount due and payable under any Finance Document,
- (iv) which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its commitment under the Notes, holding any Notes, or funding or performing its obligations under any Finance Document.

“**UK CRD IV**” means:

CRR as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**Withdrawal Act**”);

- (v) the law of the United Kingdom or any part of it which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020 (“**WAA**”)) implemented CRD and its implementing measures;
- (vi) direct EU legislation (as defined in the Withdrawal Act) which immediately before IP completion day (as defined in the WAA) implemented EU CRD IV as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act; and
- (vii) any law or regulation of the United Kingdom which introduces into domestic law of the United Kingdom a provision which is equivalent to a provision set out in CRR or CRD and/or implements Basel III standards.

16.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to Section 16.1 (*Increased Costs*), shall notify the Guarantor of the event giving rise to the claim.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Purchasers, provide a certificate confirming the amount of its Increased Costs together with reasonable explanation of the calculation and basis thereof (except to the extent that such information is proprietary to the relevant Finance Party and (subject to such Finance Party taking all possible steps necessary to redact the information) provided such information does not extend to information and detail that the relevant Finance Party is not legally allowed to disclose, is confidential or price-sensitive in relation to listed shares or other instruments issued by that Finance Party or any of its Affiliates).

16.3 Exceptions

- (a) Section 16.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) attributable to a FATCA Deduction required to be made by a Party;
 - (iii) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
 - (iv) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision (“BCBS”) in June 2004 in the form existing on the date of the Note Purchase Agreement (but excluding any amendment arising out of Basel III) (“**Basel II**”) or any other law or regulation, which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).
- (b) In this Section 16.3 a reference to a "**Tax Deduction**" has the same meaning given to the term in Section 15 (*Tax Gross-Up; FATCA Information*).

17 Registration; Exchange; Substitution of Notes

17.1 Registration of Notes

The Issuer shall keep at its registered office a register for the registration and registration of transfers of Notes (or shall procure that a registrar is appointed and that such registrar shall keep such register at its registered office and in accordance with the terms of the Note Purchase Agreement). The name and address of each Purchaser of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. If any Purchaser of one or more Notes is a nominee, then (a) the name and address of the beneficial owner of such Note or Notes shall also be registered in such register as an owner and Purchaser thereof and (b) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant to the Note Purchase Agreement. Prior to due presentment for registration of transfer, the person in whose name any Note shall be registered shall be deemed and treated as the owner and Purchaser thereof for all purposes hereof, and the Issuer shall not be affected by any notice or knowledge

to the contrary. The Issuer shall give to any Purchaser of a Note promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Purchaser of Notes.

17.2 Transfer and Exchange of Notes

Subject to Section 17.4 (*Conditions of assignment or transfer*), within ten (10) Business Days of surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in the Note Purchase Agreement) for registration of exchange, and, in the case of a surrender for registration of transfer, within ten (10) Business Days of the later of:

- (a) the surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in the Note Purchase Agreement);
- (b) the delivery of a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorised in writing and accompanied by the relevant name, address and other details for notices of each transferee of such Note or part thereof and (where the transferee wishes to be classed as a Qualifying Holder) also accompanied by a Transferee Tax Letter executed by the transferee of such Note; and
- (c) receipt of a fully executed Secured Creditor Accession Deed substantially in the form set out in the Intercreditor Agreement executed by each transferee, the Company and the Security Trustee (which the Company shall, and shall use reasonable endeavours to procure that the Security Trustee does, execute as soon as possible upon receipt), the Company shall execute and deliver, at the Company's expense (except for as provided below), one or more new Notes of the same Series (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note.

Each such new Note shall be payable to such person as such holder may request and shall be substantially in the required form. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of the registration of any such transfer of Notes. Notes shall not be transferred in denominations of less than £500,000 in the case of Fixed Rate Notes and Floating Rate Notes, as applicable *provided* that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than £500,000 in the case of Fixed Rate Notes and Floating Rate Notes, as applicable. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representations set forth in Section 7 (*Representations of the Purchasers*). The Company shall not be required to recognise any sale or other transfer of a Note which is in contravention of this Section 17.2 and no such transfer shall confer any rights hereunder upon such transferee.

If a holder assigns or transfers any of its rights or obligations under the Note Purchase Agreement in accordance with Section 17.4 (*Conditions of assignment or transfer*) or changes the address specified for the purpose of payments of interest under the Note Purchase Agreement (as provided for in this Section 17.2) and, as a result of circumstances existing at the date the assignment, transfer or change occurs, the Company would be obliged to make a payment to the new holder or holder acting through its new address under Section 15 (*Tax Gross-Up; FATCA Information*), then the new holder or holder acting through its new address is only entitled to receive payment under that Section to the same extent as the transferring holder or holder acting through its new address would have been if the assignment, transfer or change had not occurred. This paragraph of Section 17.2 shall not apply (in relation to Section 15.2 (*No Withholding*)) to a holder which is a Treaty Holder that which has included a confirmation of

its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (f) of Section 15.2 (*No Withholding*) if the Obligor making the payment has not made a Company DTTP Filing in respect of that Treaty Holder unless the relevant payment falls due before (or less than five Business Days after) the Obligor receives a copy of the Transferee Tax Letter entered into by that Treaty Lender pursuant to the Note Purchase Agreement.

17.3 Replacement of Notes

Upon receipt by the Company at the address and to the attention of the designated officer (as specified in the Note Purchase Agreement) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of a Purchaser, notice from such Purchaser of such ownership and such loss, theft, destruction or mutilation), and

- (a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least £50,000,000 or a Qualified Institutional Buyer, such person's own unsecured agreement of indemnity shall be deemed to be satisfactory); or
- (b) in the case of mutilation, upon surrender and cancellation thereof,

within ten (10) Business Days thereafter the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same Series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

17.4 Conditions of assignment or transfer

The below conditions in this Section 17.4 shall apply: (i) so long as and to the extent that the Recognised Stock Exchange (as defined in Section 13.31 (*Listing*)) under which the Notes are listed, accepts them; or (ii) in the event the Recognised Stock Exchange rejects the conditions herein, the below conditions shall apply in the event the Notes are not listed.

- (a) The consent of the Guarantor is required for an assignment or transfer by a Purchaser (the "**Existing Purchaser**"), unless:
 - (i) the assignment or transfer is to another Purchaser or an Affiliate of a Purchaser, if the Existing Purchaser is a fund, to a fund which is a Related Fund of the Existing Purchaser;
 - (ii) the assignment or transfer is to an assignee or transferee which is on the Approved Transferee List; or
 - (iii) an Event of Default is continuing,

provided that:

- (A) in each case, the assignee or transferee has complied with all necessary 'know your customer' or other similar requirements to the satisfaction of the Guarantor at its sole discretion; and
- (B) in each case, any assignments, novations, transfers, disposals, declarations of trust, sub-participations or any other transfer of an interest in the Notes or any Series of Notes (howsoever effected) to Restricted Transferees shall

not be permitted at any time (including where an Event of Default is continuing).

- (b) The consent of the Guarantor to an assignment or transfer must not be unreasonably withheld or delayed and (subject to the provisos in paragraphs (a)(i) and (a)(ii) of this Section 17.4) the Guarantor will be deemed to have given its consent five Business Days after the Existing Purchaser has requested it unless consent is expressly refused by the Guarantor within that time. The consent of the Guarantor will not be considered unreasonably withheld for the reason that a proposed assignee or transferee is, or the Guarantor reasonably suspects that a proposed assignee or transferee is, a Restricted Transferee.
- (c) An assignment will only be effective on receipt by the Company of written confirmation from the proposed assignee (in form and substance satisfactory to the Company) that the proposed assignee will assume the same obligations to the other Finance Parties as it would have been under if it had been an Original Purchaser.

17.5 Disenfranchisement of Restricted Transferees

In the event that the Notes are listed in accordance with Section 13.31 (*Listing*) and a Purchaser makes an assignment or transfer to an assignee or transferee which is not on the Approved Transferee List or is a Restricted Transferee, the Notes which have been accordingly transferred shall not be counted in any quorum or voting threshold in respect of any decision of the Purchasers.

For the avoidance of doubt this Section 17.5 shall not apply:

- (a) in the event a Purchaser makes an assignment or transfer to an assignee or transferee that is an affiliate or related fund of the Purchaser as referred to in Section 17.4(a)(i);
- (b) if an Event of Default is continuing subject to the proviso in Sections 17.4(a)(iii)(A) and (B)); or
- (c) to which the Guarantor has given, or is deemed to have given, its consent in accordance with Section 17.4(b).

18 Payments on Notes

18.1 Place of Payment

Subject to Section 18.2 (*Payment by Wire Transfer*), payments of principal, the Make-Whole Amount, if applicable, and interest becoming due and payable on the Notes shall be made, at the principal office of the Issuer in the United Kingdom. The Issuer may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Issuer in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

18.2 Payment by Wire Transfer

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 18.1 (*Place of Payment*) or in such Note to the contrary, the Issuer will pay all sums becoming due on such Note for principal, the Make-Whole Amount, if applicable, interest and all other amounts becoming due hereunder by the method and at the address specified for such purpose below such Purchaser's name in the Note Purchase Agreement, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Issuer in writing for such purpose, without

the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Issuer made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Issuer at its principal executive office or at the place of payment most recently designated by the Issuer pursuant to Section 18.1 (*Place of Payment*). Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Issuer in exchange for a new Note or Notes pursuant to this Section 18.2. The Issuer will afford the benefits of this Section 18.2 to any Purchaser that is the direct or indirect transferee of any Note purchased by a Purchaser under the Note Purchase Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 18.2.

19 Fees

The Issuer shall pay to the Original Purchasers an upfront fee in the amount agreed in the Fee Letter.

20 Expenses, Etc.

20.1 Costs and Expenses

(a) Transaction expenses:

The Guarantor shall promptly on demand pay the Purchasers the amount of all costs and expenses (including legal fees), together with any irrecoverable VAT thereon, reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and syndication of:

- (i) the Note Purchase Agreement and any other documents referred to in the Note Purchase Agreement; and
- (ii) any other Finance Documents executed after the date of the Note Purchase Agreement.

(b) Amendment costs:

If either the Issuer or the Guarantor requests an amendment, waiver or consent, the Guarantor shall, within three Business Days of demand, reimburse the Purchasers for the amount of all costs and expenses (including legal fees), together with any irrecoverable VAT thereon, reasonably incurred by the Purchasers in responding to, evaluating, negotiating or complying with that request or requirement.

(c) Enforcement costs:

The Guarantor shall, within three Business Days of demand, pay to each Purchaser the amount of all costs and expenses (including legal fees), together with any irrecoverable VAT thereon, incurred by that Purchaser in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

(d) Reference rate transition costs:

Notwithstanding paragraphs (a) (*Transaction expenses*) and (b) (*Amendment costs*) above, the Guarantor shall, within five Business Days of demand, reimburse each Party for all costs and expenses (including legal fees) incurred by that Party in connection with any amendment or waiver contemplated by Section 22.4 (*Changes to reference rates*).

20.2 Survival

The obligations of the Guarantor under this Section 20 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of the Note Purchase Agreement, the Notes or any other Finance Document, and the termination of the Note Purchase Agreement.

21 Survival of Representations and Warranties

All representations and warranties contained or incorporated by reference herein shall survive the execution and delivery of the Note Purchase Agreement and the issue and sale of the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Issuer pursuant to the Note Purchase Agreement shall be deemed representations and warranties of the Issuer under the Note Purchase Agreement. Subject to the preceding sentence, the Note Purchase Agreement, the Notes and any other Finance Document embody the entire agreement and understanding between each Purchaser and the Issuer and supersede all prior agreements and understandings relating to the subject matter hereof.

22 Amendment and Waiver

22.1 Requirements

Subject to Section 22.2 (*Exceptions*) and Section 22.9 (*Disenfranchisement of Connected Parties*), the Note Purchase Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Issuer and the Guarantor and the Required Holders and any such amendment or waiver will be binding on all Parties.

22.2 Exceptions

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of “Guarantor Change of Control”, “Make-Whole Amount”, “Non-Call Period” and “Required Holders”;
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the coupon or a reduction in the amount of any payment of principal, interest, fees or commission payable;
 - (iv) an increase in or an extension of any Note;
 - (v) any provision which expressly requires the consent of all the Purchasers;
 - (vi) Section 1.1 (*Sale and Purchase of the Notes*), Section 4.7 (*Funding Instructions*), Section 10.3 (*Capitalisation*), Section 11.2 (*Illegality*), Section 11.3 (*Change of Control*), Section 6.24 (*Sanctions*) of the Note Purchase Agreement, Section 13.26 (*Sanctions*), Section 17 (*Registration; Exchange; Substitution of Notes*), this Section 22, Section 26 (*Substitution of Purchaser*), Section 29.6 (*Governing Law*) or Section 29.7 (*Enforcement*);
 - (vii) the release of any Security created pursuant to any Security Document or of any Charged Property (except for as provided in any Security Document); or

- (viii) the nature or scope of the guarantee and indemnity granted under Section 6 (*Guarantee and Indemnity*),

shall not be made without the prior consent of all the Purchasers.

22.3 Binding effect, etc.

Any amendment or waiver consented to as provided in this Section 22 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon each of the Issuer and the Guarantor without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Issuer or the Guarantor and the holder of any Note nor any delay in exercising any rights hereunder or under any Note or other Finance Document shall operate as a waiver of any rights of any holder of such Note. As used herein, the term “the Note Purchase Agreement” and references thereto shall mean this Note Purchase Agreement as it may from time to time be amended or supplemented in accordance with the provisions hereof.

22.4 Changes to reference rates

- (a) Subject to Section 22.2 (*Exceptions*) and Section 22.9 (*Disenfranchisement of Connected Parties*) and in respect of the Floating Rate Notes, if an RFR Replacement Event has occurred, any amendment or waiver which relates to:

- (i) providing for the use of a Replacement Reference Rate in place of the RFR; and
- (ii)
 - (A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;
 - (B) enabling that Replacement Reference Rate to be used for the calculation of interest under the Note Purchase Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of the Note Purchase Agreement);
 - (C) implementing market conventions applicable to that Replacement Reference Rate;
 - (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
 - (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Required Holders and the Issuer and the Guarantors (and this shall be a matter only affecting the Floating Rate Notes).

- (b) Subject to Section 22.9 (*Disenfranchisement of Connected Parties*), an amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on

any Floating Rate Note under the Note Purchase Agreement to any recommendation of a Relevant Nominating Body which:

- (i) relates to the use of a risk-free reference rate on a compounded basis in the international or any relevant domestic syndicated loan markets; and
- (ii) is issued on or after the date of the Note Purchase Agreement,

may be made with the consent of the Required Holders and the Issuer and the Guarantor (and this shall be a matter only affecting the Floating Rate Notes).

- (c) If any Purchaser fails to respond to a request for an amendment or waiver described in paragraph (a) or (b) above within 15 Business Days (or such longer time period in relation to any request which the Issuer (or the Guarantor on its behalf) and the Purchasers may agree) of that request being made:

- (i) such Purchaser's holdings of any Note shall not be included for the purpose of calculating the principal amount of the Notes at the time outstanding when ascertaining whether any relevant percentage of the principal amount of the Notes at the time outstanding has been obtained to approve that request; and
- (ii) its status as a Purchaser shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Purchasers has been obtained to approve that request.

- (d) In this Section 22.4:

"RFR Replacement Event" means:

- (i) the methodology, formula or other means of determining the RFR has, in the opinion of the Required Holders and the Issuer and the Guarantor, materially changed;

- (ii)

(A)

- (I) the administrator of the RFR or its supervisor publicly announces that such administrator is insolvent; or
- (II) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the RFR is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide the RFR;

- (B) the administrator of the RFR publicly announces that it has ceased or will cease to provide the RFR permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the RFR;
- (C) the supervisor of the administrator of the RFR publicly announces that the RFR has been or will be permanently or indefinitely discontinued; or

- (D) the administrator of the RFR or its supervisor announces that the RFR may no longer be used;
- (iii) the administrator of the RFR determines that the RFR should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (A) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Required Holders and the Issuer and the Guarantor) temporary; or
 - (B) the RFR is calculated in accordance with any such policy or arrangement for a period no less than the period specified as the "RFR Contingency Period" in the Reference Rate Terms; or
- (iv) in the opinion of the Required Holders and the Issuer and the Guarantor, the RFR is otherwise no longer appropriate for the purposes of calculating interest under the Note Purchase Agreement.

"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"Replacement Reference Rate" means a reference rate which is:

- (i) formally designated, nominated or recommended as the replacement for the RFR by:
 - (A) the administrator of the RFR (provided that the market or the economic reality that such reference rate measures is the same as that measured by the RFR); or
 - (B) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs(A) and (B) above, the "Replacement Reference Rate" will be the replacement under paragraph (B) above;
- (ii) in the opinion of the Required Holders and the Issuer and the Guarantor, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to the RFR; or
- (iii) in the opinion of the Required Holders and the Issuer and the Guarantor, an appropriate successor to the RFR,

and a reference to "Required Holders" in this Section 22.4 shall be a reference to Required Holders where the matter only affects the Floating Rate Notes.

22.5 Disenfranchisement of Defaulting Purchasers

- (a) For so long as a Defaulting Purchaser holds any Note or has an outstanding commitment to acquire any Notes in ascertaining the Required Holders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the principal amount of the Notes at the time outstanding or the agreement of any specified group of Purchasers, has been

obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Purchaser shall be deemed not to be a Purchaser.

(b) For the purposes of this Section 22.5, the Purchasers may assume that the following Purchasers are Defaulting Purchasers:

- (i) any Purchaser which has notified the Purchasers that it has become a Defaulting Purchaser;
- (ii) any Purchaser in relation to which it is aware that any of the events or circumstances referred to in paragraph (a) (subject, for the avoidance of doubt, to the exceptions to that paragraph (a) included within the definition of “**Defaulting Purchaser**”), (b) or (c) of the definition of “**Defaulting Purchaser**” has occurred,

unless they have received notice to the contrary from the potential Defaulting Purchaser concerned (together with any supporting evidence reasonably requested by the Purchasers) or the Purchasers are otherwise aware that the potential Defaulting Purchaser has ceased to be a Defaulting Purchaser.

22.6 Replacement of a Defaulting Purchaser

(a) The Issuer may, at any time a Purchaser has become and continues to be a Defaulting Purchaser, by giving five Business Days' prior written notice to the Purchasers:

- (i) replace such Purchaser by requiring such Purchaser to (and, to the extent permitted by law, such Purchaser shall) transfer all (and not part only) of its rights and obligations under the Note Purchase Agreement including any obligations to subscribe for any Notes (if applicable); and
- (ii) require such Purchaser (and, to the extent permitted by law, such Purchaser shall) to transfer all (and not part only) the Notes held by it,

to an Eligible Institution (a “**Replacement Purchaser**”) selected by the Issuer, and which is acceptable to the Purchasers (acting reasonably), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Purchaser for a purchase price in cash payable at the time of transfer which is either:

- (A) in an amount equal to the outstanding principal amount of such Purchaser’s participation in the outstanding Notes and all accrued interest and other amounts payable in relation thereto under the Finance Documents; or
- (B) in an amount agreed between that Defaulting Purchaser, the Replacement Purchaser and the Issuer and which does not exceed the amount described in paragraph (A) above.

(b) Any transfer of rights and obligations of a Defaulting Purchaser pursuant to this Section 22.6 shall be subject to the following conditions:

- (i) neither the Purchasers nor the Defaulting Purchaser shall have any obligation to neither the Issuer nor the Guarantor to find a Replacement Purchaser;
- (ii) the transfer must take place no later than 30 days after the notice referred to in paragraph (a) above;

- (iii) in no event shall the Defaulting Purchaser be required to pay or surrender to the Replacement Purchaser any of the fees received by the Defaulting Purchaser pursuant to the Finance Documents; and
 - (iv) the Defaulting Purchaser shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Purchaser.
- (c) The Defaulting Purchaser shall perform the checks described in paragraph (b)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Purchasers and the Issuer when it is satisfied that it has complied with those checks.

22.7 Excluded Notes

If any Purchaser fails to respond to a request for a consent, waiver or amendment of or in relation to any term of any Finance Document or any other vote of Purchasers under the terms of the Note Purchase Agreement (other than a consent, waiver or amendment referred to in Section 22.2 (*Exceptions*)) within 15 Business Days (unless the Issuer agrees to a longer time period in relation to any request) of that request being made:

- (a) it shall be deemed not to be a Required Holder for the purposes of such request;
- (b) its Notes shall not be included for the purpose of calculating the principal amount of the Notes at the time outstanding when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of the principal amount of the Notes at the time outstanding has been obtained to approve that request; and
- (c) its status as a Purchaser shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Purchasers has been obtained to approve that request.

22.8 Replacement of a Non-Consenting Purchaser

- (a) If, at any time any Purchaser becomes a Non-Consenting Purchaser (as defined in paragraph (d) below), then the Issuer may, on 10 Business Days' prior written notice to such Purchaser:
- (i) replace such Purchaser by requiring such Purchaser to (and, to the extent permitted by law, such Purchaser shall) transfer all (and not part only) of its rights and obligations under the Note Purchase Agreement; and
 - (ii) require such Purchaser (and, to the extent permitted by law, such Purchaser shall) transfer all (and not part only) of its rights and obligations in respect of the Notes, to a Replacement Purchaser selected by the Issuer, and which is acceptable to the Purchasers (acting reasonably), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Purchaser for a purchase price in cash payable at the time of transfer which is either:
 - (A) in an amount equal to the outstanding principal amount of such Purchaser's participation in the outstanding Notes and all accrued interest and other amounts payable in relation thereto under the Finance Documents; or

- (B) in an amount agreed between that Non-Consenting Purchaser, the Replacement Purchaser and the Issuer and which does not exceed the amount described in paragraph (A) above.
- (b) The replacement of a Purchaser pursuant to this Section 22.8 shall be subject to the following conditions:
- (i) the Purchasers shall not have any obligation to the Issuer to find a Replacement Purchaser;
 - (ii) in the event of a replacement of a Non-Consenting Purchaser such replacement must take place no later than 60 days after the date the Non-Consenting Purchaser is deemed a Non-Consenting Purchaser;
 - (iii) in the event of a replacement of a Non-Consenting Purchaser during the Non-Call Period, upon the replacement of such Non-Consenting Purchaser, the Issuer shall pay such Non-Consenting Purchaser a prepayment fee in an amount equal to the applicable Make-Whole Amount as though such Non-Consenting Purchaser's Note was being prepaid at that time in accordance with Section 11.4 (*Voluntary prepayment*), provided always that the Issuer shall not be obliged to pay any principal, interest or other amounts to such Non-Consenting Purchaser whose Note has been transferred to another person pursuant to this Section 22.8 (*Replacement of a Non-Consenting Purchaser*);
 - (iv) in no event shall the Purchaser replaced under this paragraph (b) be required to pay or surrender to such Replacement Purchaser any of the fees received by such Purchaser pursuant to the Finance Documents; and
 - (v) the Non-Consenting Purchaser shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Purchaser.
- (c) The Non-Consenting Purchaser shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Purchasers and the Issuer when it is satisfied that it has complied with those checks.
- (d) In the event that:
- (i) the Issuer has requested the Purchasers to give a consent in relation to, or to agree to a waiver or amendment of any provisions of the Finance Documents;
 - (ii) the consent, waiver or amendment in question requires the approval of all the Purchasers; and
 - (iii) Purchasers holding and/or to be issued more than 85 per cent. in principal amount of the Notes have consented or agreed to such waiver or amendment,
- then any Purchaser who does not and continues not to consent or agree to such waiver or amendment shall be deemed a "**Non-Consenting Purchaser**".

22.9 Disenfranchisement of Connected Parties

- (a) For so long as a Connected Party:
 - (i) beneficial owns a Note; or
 - (ii) has entered into a sub-participation agreement relating to a Note or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated,
in ascertaining whether:
 - (A) any given percentage (including, for the avoidance of doubt, unanimity) of the Notes; or
 - (B) the agreement of any specified group of holders of Notes,
has been obtained to approve any request for a consent, waiver, amendment or other vote under a Finance Document, such holding of Notes shall be deemed to be zero and such Connected Party or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a holder of Notes for the purposes of paragraphs (A) and (B) above (unless in the case of a person not being a Connected Party it is a holder of Notes by virtue otherwise than by beneficially owning the relevant Note).
- (b) Each Connected Party that is a holder of Notes agrees that:
 - (i) in relation to any meeting or conference call to which all the holders of Notes are invited to attend or participate, it shall not attend or participate in the same if so requested by the Issuer or, unless the Issuer otherwise agrees, be entitled to receive the agenda or any minutes of the same; and
 - (ii) in its capacity as a holder of Notes, unless the Issuer otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Issuer or one or more of the holders of Notes.

22.10 Connected Party notification of Note purchase

Any Connected Party which is or becomes a holder of Notes shall, by 5.00 pm on the Business Day following the day on which it became a holder of Notes, notify the Issuer of the extent of its holding of Notes, and the Issuer shall promptly disclose such information to the other holders of Notes.

22.11 Disenfranchisement of Restricted Transferees

In the event that the Notes are listed in accordance with Section 13.31 (*Listing*) and a Purchaser makes an assignment or transfer to an assignee or transferee which is not on the Approved Transferee List or is a Restricted Transferee, the Notes which have been accordingly transferred shall not be counted in any quorum or voting threshold in respect of any decision of the Purchasers.

For the avoidance of doubt this Section 22.11 shall not apply:

- (a) in the event a Purchaser makes an assignment or transfer to an assignee or transferee that is an affiliate or related fund of the Purchaser as referred to in Section 17.4(a)(i);
- (b) if an Event of Default is continuing subject to the proviso in Sections 17.4(a)(iii)(A) and (B); or

- (c) to which the Guarantor has given, or is deemed to have given, its consent in accordance with Section 17.4(b).

23 Notices

23.1 Communications in writing

- (a) Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax, letter or electronic communication in accordance with Section 23.4 (*Electronic communication*).
- (b) For the purpose of the Finance Documents, an electronic communication made in accordance with Section 23.4 (*Electronic communication*) will be treated as being in writing.

23.2 Addresses

The address, fax number and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Issuer or the Guarantor, that identified with its name below;
- (b) in the case of each Purchaser, the address specified in the Note Purchase Agreement, or such other address as such Purchaser or nominee shall have specified to the Issuer in writing; and
- (c) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Issuer in writing,

or any substitute address, fax number, email address or department or officer as such party may notify to the Issuer and the Guarantor, each Purchaser or other holder of any Note, as applicable, by not less than five Business Days' notice.

23.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
 - (i) if by way of fax, when received in legible form;
 - (ii) if by way of email or any other electronic communication in accordance with Section 23.4 (*Electronic communication*), when actually received (or made available) in readable form; or
 - (iii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Section 23.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document which becomes effective, in accordance with paragraph (a) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

23.4 Electronic communication

- (a) Any communication to be made between any two parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication as specified in paragraph (a) above to be made between the Issuer, the Guarantor and a Purchaser may only be made in that way to the extent that those two parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.
- (c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place in which the party to whom the relevant communication is sent or made available has its address for the purpose of the Note Purchase Agreement shall be deemed only to become effective on the following day.
- (d) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Section 23.4.

23.5 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; and
 - (ii) if not in English, and if so required by the applicable Purchaser or the Issuer, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

24 Reproduction of Documents

The Note Purchase Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the applicable Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital or other similar process and such Purchaser may destroy any original document so reproduced. The Issuer agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 24 shall not prohibit the Issuer or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

25 Confidentiality

25.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Section 25.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

25.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Purchaser and to any of that person's Affiliates, Related Funds, representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Issuer and/or the Guarantor and to any of that person's Affiliates, Related Funds, representatives and professional advisers;
 - (iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed;
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
 - (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) who acts as an investment manager or investment adviser to any Finance Party pursuant to a bona fide investment management agreement;
- (viii) who is a Party; or
- (ix) with the consent of the Guarantor;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
 - (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
 - (C) in relation to paragraphs (b)(v) and (b)(vi) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Guarantor and the relevant Finance Party. Any Finance Party may also disclose the size and term of the facilities and the name of the Issuer to any investor or a potential investor in a securitisation (or similar or broadly equivalent economic effect) of that Finance Party's rights or obligations under the Finance Documents; and
 - (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Issuer, if the rating agency

to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

25.3 Entire agreement

This Section 25 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

25.4 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

25.5 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Guarantor:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Section 25.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Section 25.

25.6 Continuing obligations

The obligations in this Section 25 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Issuer and the Guarantor under or in connection with the Note Purchase Agreement have been paid in full and all Notes have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

26 Substitution of Purchaser

Each Purchaser shall have the right to substitute any one of its Affiliates or another Purchaser or any one of such other Purchaser's Affiliates (a "**Substitute Purchaser**") as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Issuer, which notice shall be signed by both such Purchaser and such Substitute Purchaser, shall contain: (a) such Substitute Purchaser's agreement to be bound by the Note Purchase Agreement, (b) a confirmation by such Substitute Purchaser of the accuracy with respect to it of the representations set forth in Section 7 (*Representations of the Purchasers*), (c) a confirmation by such Substitute Purchaser indicating its status in accordance with Section 15.9 (*FATCA Deduction*) and (d) (where the Substitute Purchaser wishes to be classed a Qualifying Holder) a confirmation by such Substitute Purchaser indicating its status for United Kingdom tax purposes in a form similar to that set out in the Note Purchase Agreement (or in any other form agreed by the Issuer). Upon receipt of such notice, the Issuer will enter into, and will use reasonable endeavours to procure that the Security Trustee enters into, a Secured Creditor Accession Deed with respect to the Intercreditor Agreement with such Substitute Purchaser any reference to such Purchaser in the Note Purchase

Agreement (other than in this Section 26), shall be deemed to refer to such Substitute Purchaser in lieu of such original Purchaser. In the event that such Substitute Purchaser is so substituted as a Purchaser hereunder and such Substitute Purchaser thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Issuer of notice of such transfer, any reference to such Substitute Purchaser as a "Purchaser" in the Note Purchase Agreement (other than in this Section 26), shall no longer be deemed to refer to such Substitute Purchaser, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under the Note Purchase Agreement.

27 Indemnity

The Guarantor shall (or shall procure that the Issuer or the Guarantor will), within three Business Days of demand, indemnify the relevant Purchaser and each other Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by the Issuer or the Guarantor to pay any amount due under a Finance Document on its due date;
- (c) funding, or making arrangements to fund, its participation in a Note as requested via a funding instruction notice but not made by reason of the operation of any one or more of the provisions of the Note Purchase Agreement (other than by reason of default or negligence by that Purchaser alone); or
- (d) a Note not being prepaid in accordance with a notice of prepayment given by the Issuer.

28 Bail In

28.1 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

28.2 Bail-in definitions

In this Section 28.2:

"**Article 55 BRRD**" means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"**Bail-In Action**" means the exercise of any Write-down and Conversion Powers.

"Bail-In Legislation" means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to the United Kingdom, the UK Bail-In Legislation; and
- (c) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"EEA Member Country" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"EU Bail-In Legislation Schedule" means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

"Resolution Authority" means any body which has authority to exercise any Write-down and Conversion Powers.

"UK Bail-In Legislation" means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

"Write-down and Conversion Powers" means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
- (c) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

- (ii) any similar analogous powers under that Bail-In Legislation.

29 Miscellaneous

29.1 Successors and Assigns

All covenants and other agreements contained in the Note Purchase Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not; provided, that nothing herein shall prevent or restrict the Issuer from complying with its obligations to assign rights in each Finance Document pursuant to the terms of section 5.3.1 of the Security Agreement. Nothing in the Note Purchase Agreement, expressed or implied, shall be construed to confer upon any person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of the Note Purchase Agreement.

29.2 Payments Due on Non-Business Days

At any time (and without limiting the requirement in Section 11.4 (*Voluntary prepayment*) that notice of any optional prepayment specify a Business Day as the date fixed for such prepayment):

- (a) any payment of interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day, without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; and
- (b) any payment of principal of, or Make-Whole Amount on, any Note (including principal due on the Maturity Date of such Note) that is due on a date that is not a Business Day shall be made on the next succeeding Business Day, and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

29.3 Severability

Any provision of the Note Purchase Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

29.4 Construction, etc.

- (a) Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any person, or which such person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such person.
- (b) The provisions contained in the Intercreditor Agreement apply to the Note Purchase Agreement as if they were set out in full in the Note Purchase Agreement.
- (c) Notwithstanding anything to the contrary in paragraph (b) above, the following shall apply (unless the context requires otherwise) to the Note Purchase Agreement and the Notes:

- (i) defined terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;
- (ii) the word “will” shall be construed to have the same meaning and effect as the word “shall”; and
- (iii) unless the context requires otherwise (A) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein) and, for purposes of the Notes, shall also include any such notes issued in substitution therefor pursuant to Section 17 (*Registration; Exchange; Substitution of Notes*), (B) any reference herein to any person shall be construed to include such person’s successors and assigns, (C) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to the Note Purchase Agreement in its entirety and not to any particular provision hereof, (D) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (E) United States federal and state law concepts shall be construed in accordance with applicable provisions of United States federal and state law, respectively.

29.5 Counterparts

The Note Purchase Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

29.6 Governing Law

The Note Purchase Agreement and the Notes, and any non-contractual obligations arising out of or in connection with them, are governed by the laws of England.

29.7 Enforcement

Jurisdiction:

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Note Purchase Agreement (including a dispute relating to the existence, validity or termination of the Note Purchase Agreement or any non-contractual obligation arising out of or in connection with the Note Purchase Agreement) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding paragraph (a) above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

29.8 Third Party Rights

- (a) The Note Purchase Agreement confers benefits on each holder of a Note and is intended to be enforceable by each such holder.
- (b) Subject to paragraph (a) above, a person who is not a party to the Note Purchase Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce any terms of the Note Purchase Agreement but this does not affect any right or remedy of a third party which exists or is available apart from the Third Parties Act.

29.9 Obligation to Make Payment in the Applicable Currency

Any payment on account of an amount that is payable hereunder or under the Notes in the currency of any jurisdiction (the “**Applicable Currency**”) which is made to or for the account of any holder of a Note in the lawful currency of any other jurisdiction (the “**Other Currency**”), whether as a result of any judgment or order or the enforcement thereof or the realisation of any Security or the liquidation of the Issuer, as applicable, shall constitute a discharge of the obligation of the Issuer under the Note Purchase Agreement and the Notes only to the extent of the amount of the Applicable Currency which such holder could purchase in exchange markets in London, England, as applicable with the amount of such Other Currency in accordance with normal banking procedures at the rate of exchange prevailing on the Business Day following receipt of the payment first referred to above. If the amount of the Applicable Currency that could be so purchased is less than the amount of the Applicable Currency originally due to such holder, the Issuer agrees to the fullest extent permitted by law to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law constitute an obligation separate and independent from the other obligations contained in the Note Purchase Agreement, the Notes, and the other Finance Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of a Note from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order.

30 Definitions

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its short-term unsecured and non-credit enhanced debt obligations of A2 or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or P2 or higher by Moody’s Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Purchasers.

“**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 paragraph (a) above are not met, the Required Holders 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 Purchasers by applicable law or regulation to the satisfaction of the relevant Purchaser (and for the avoidance of doubt, no fees shall be charged by Purchasers 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.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Issuer of that person or any other Subsidiary of that Holding Issuer.

"**Agreement**" means the Note Purchase Agreement, including all Schedules and Exhibits attached to the Note Purchase Agreement, subject to Section 22.3 (*Binding effect, etc.*).

"**Applicable Accounting Principles**" means International Financial Reporting Standards (IFRS) or generally accepted accounting principles in the UK.

"**Applicable Currency**" is defined in Section 29.9 (*Obligation to Make Payment in the Applicable Currency*).

"**Approved Transferee List**" means the debt investment arm of each institution, entity, fund or other persons listed in the Note Purchase Agreement, provided always that any Restricted Transferee shall be excluded from such list.

"**Auditors**" means one of PwC, EY, KPMG or Deloitte or any other firm appointed by the Guarantor to act as its statutory auditor.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**AWGL**" means Anglian Water Group Limited (previously known as Osprey Jersey Holdco Limited), a private limited company incorporated under the laws of Jersey with registered number 94523.

"**AWS**" means Anglian Water Services Limited.

"**AWS Common Terms Agreement**" means the common terms agreement dated 30 July 2002 (as amended and/or restated from time to time) between, among others, AWSH, Anglian Water Services UK Parent Co Limited, AWS, Anglian Water Services Financing plc and Deutsche Trustee Company Limited.

"**AWS Deed Poll**" means the deed poll dated 13 July 2021 and granted by certain AWS Financing Group entities pursuant to which they agree to, inter alia, restrictions on further incurrence of Class B Debt (as defined in the AWS MDA) under the AWS financing platform and the granting of additional financial covenants in favour of secured creditors of the AWS Financing Group.

"**AWS Financing Group**" means AWS, AWSH, Anglian Water Services UK Parent CO Limited and Anglian Water Services Financing plc.

“**AWS MDA**” means the Master Definitions Agreement dated 30 July 2002 (as amended on 2 October 2006 and as further supplemented and/or amended from time to time) between, among others, Anglian Water Services Financing PLC as the issuer and Anglian Water Services Limited, Anglian Water Services UK Parent Co Limited and AWSH as guarantors.

“**AWSH**” means Anglian Water Services Holdings Limited.

“**Blocking Law**” 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);
- (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; or
- (c) section 7 of the German Foreign Trade Regulation (Außenwirtschaftsverordnung); or
- (d) any similar and applicable anti-boycott law, instrument or regulation in the United Kingdom, created following the United Kingdom’s exit from the European Union.

“**Borrowings**” means, at any time, the outstanding principal, capital or nominal amount (including any capitalised interest or any indexation of principal in respect of any index-linked borrowings) and any fixed or minimum premium payable on prepayment or redemption of any indebtedness (other than indebtedness owed by one member of the Group to another member of the Group) 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 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);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
- (f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution excluding for the avoidance of doubt any counter-indemnity which is in respect of any (i) performance bonds and/or guarantees; or (ii) interest rate shortfall bonds and/or guarantees; or (iii) any bond and/or guarantee given in respect of the Secondary Tax Liability, and in each case where no call has been made;
- (g) any amount raised by the issue of redeemable shares which are redeemable before the Maturity Date;

- (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry 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;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"**Calculation Date**" means each of 31 March and 30 September in each year, starting on 30 September 2022.

"**Calculation Period**" means the period of twelve months ending on 30 September 2022 and each period of twelve months ending on 30 September or 31 March thereafter.

“**Called Principal**” means, with respect to any Note, the principal of the Note that is to be prepaid pursuant to Section 11.4 (*Voluntary prepayment*), excluding any amounts representing capitalised interest.

“**Cash Collateral**” means with respect to any Borrowings, the relevant borrower crediting a cash amount (in the currency of such Borrowings) 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 Borrowings and in respect of which the relevant borrower has granted a first ranking security interest in favour of the relevant lender.

"**Cash Equivalent Investments**" means:

- (a) any investment in marketable debt obligations, including, for the avoidance of doubt, liquidity funds and tax anticipation bonds, issued or guaranteed by the government of the United States of America or any political subdivision of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating maturing within one year of the relevant date of calculation and not convertible or exchangeable to any other security and having a credit rating of either A-2 or higher by Standard & Poor’s Rating Services or F2 or higher by Fitch Rating Ltd or P-2 or higher by Moody’s Investors Service Limited;
- (b) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (c) any investment accessible within 30 days in money market funds which have a credit rating of either A-2 or higher by Standard & Poor’s Rating Services or F2 or higher by Fitch Rating Ltd or P-2 or higher by Moody’s Investors Service Limited;
- (d) demand or time deposits, certificates of deposit and short-term unsecured debt obligations, including commercial paper, provided that the issuing entity or, if such investment is guaranteed, the guaranteeing entity, is rated either A-2 or higher by Standard & Poor’s Rating Services or F2 or higher by Fitch Rating Ltd or P-2 or higher by Moody’s Investors Service Limited;
- (e) any “Authorised Investments” (as defined in the AWS MDA and the Osprey MDA); and

- (f) any other debt security approved by the Required Holders,

in each case, to which any member of the Group is beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Security Documents).

“**Central Bank Rate**” means the Bank of England's Bank Rate as published by the Bank of England from time to time.

“**Central Bank Rate Adjustment**” means, in relation to the Central Bank Rate prevailing at close of business on any Business Day, the 20 per cent. trimmed arithmetic mean (calculated by the Issuer, or by any other Finance Party which agrees to do so in place of the Issuer) of the Central Bank Rate Spreads for the five most immediately preceding Business Days for which the RFR is available.

For this purpose, “**Central Bank Rate Spread**” means, in relation to any Business Day, the difference (expressed as a percentage rate per annum) calculated by the Issuer (or by any other Finance Party which agrees to do so in place of the Issuer) between:

- (a) the RFR for that Business Day; and
- (b) the Central Bank Rate prevailing at close of business on that Business Day.

“**Charged Property**” means all of the assets of the Issuer and the Guarantor which from time to time are, or are expressed to be, the subject of the Transaction Security.

“**Chargors**” has the meaning given to it in the Security Agreement.

“**Closing**” is defined in Section 1 (*Sale and Purchase of the Notes; Security*).

“**Code**” means the Internal Revenue Code of 1986 of the United States of America, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“**Competitor**” means any person that is, or is an Affiliate or a Related Fund of, a person that is:

- (a) a competitor of the 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 Group; and/or
- (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:
 - (i) a Purchaser or Affiliates of any Purchaser; or
 - (ii) an entity which maintains passive portfolio investments in any person which is a Competitor.

“**Compounded Rate Interest Payment**” means the aggregate amount of interest that:

- (a) is, or is scheduled to become, payable under any Finance Document; and
- (b) relates to a Floating Rate Note.

“Compounded Reference Rate” means, in relation to any Business Day during an Interest Period, the percentage rate per annum which is the Daily Non-Cumulative Compounded RFR Rate for that Business Day.

“Compounding Methodology Supplement” means, in relation to the Daily Non-Cumulative Compounded RFR Rate, a document which:

- (a) is agreed in writing by the Issuer and the Required Holders;
- (b) specifies a calculation methodology for that rate; and
- (c) has been made available to the Issuer and each holder of a Note.

"Compliance Certificate" means a certificate substantially in the form set out in the Note Purchase Agreement.

"Confidential Information" means all information relating to the Issuer, the Guarantor, the Group or the Finance Documents of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Section 25 (*Confidentiality*); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraph (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality;

"Confidentiality Undertaking" means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Guarantor and the Purchasers.

“Connected Party” means any Initial Investor or any Initial Investor Affiliate or any transferee of such person.

“Consolidated EBITDA” means the consolidated operating profit of the 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 a member of the Group;

- (d) before deducting any accrued interest, commission, fees, discounts, prepayment penalties or premiums and other finance payments in respect of Borrowings, whether paid, payable or capitalised by any member of the Group;
- (e) before taking into account any accrued interest received, receivable or capitalised to any member of the 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 a member of the Group on the disposal of any asset during the Calculation Period and any loss arising on any revaluation of any asset during the Calculation Period;
- (h) after deducting (to the extent otherwise included) any gain over book value arising in favour of a member of the Group on the disposal of any asset during the Calculation Period and any gain arising on any revaluation of any asset during the Calculation Period;
- (i) before deducting any Transaction Costs;
- (j) after deducting the amount of any profit of any member of the Group which is attributable to minority interests;
- (k) after adding back to the extent not included in the financial statements of the Group the amount of any dividends or profit distributions (net of withholding tax) received in cash by any member of the Group during such Calculation Period from companies which are not members of the Group;
- (l) after deducting the amount of any profit of any investment or entity (which is not itself a member of the Group) in which any member of the Group has an ownership interest to the extent that the amount of such profit included in the financial statements of the Group exceeds the amount (net of applicable withholding tax) received in cash by members of the Group through distributions by such investment or entity, and
- (m) after adding back the amount of any cash received by members of the Group through distribution by any investment or entity (which is not itself a member of the Group) in which any member of the 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 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 Group from ordinary activities.

“**Consolidated Net Finance Charges**” means, for any Calculation Period and in respect of the Group, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment penalties or premiums and other finance payments in respect of Borrowings whether paid, payable or capitalised (excluding capitalised amounts arising pursuant to Section 10 (*Interest Payment and Prepayment of the Notes*) in respect of that Calculation Period:

- (a) **excluding** any such obligations paid, payable or capitalised to any other member of the 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 member of the Group under any interest rate hedging arrangement;
- (d) **deducting** any accrued commission, fees, discounts and other finance payments owing to the relevant member of the Group under any interest rate hedging instrument;
- (e) **deducting** any interest paid or payable to the relevant member of the Group on any deposit or bank account or on any Cash Equivalent 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 Borrowings 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 member of the 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 Borrowings.

For the avoidance of any doubt any repayment or prepayment of principal in respect of any Borrowings or any amounts in respect of accretion shall not form part of Consolidated Net Finance Charges.

“**Consolidated Total Net Debt**” means, at any time, the aggregate amount of all obligations of the Group for or in respect of Borrowings but:

- (a) **excluding** any liabilities in respect of any interest rate hedging agreement but, for the avoidance of doubt, not excluding any liabilities in respect of any indexation of principal in respect of any index linked Financial Indebtedness;
- (b) **excluding** any pension liabilities;
- (c) **excluding** any Subordinated Debt made available to the Guarantor by any direct or indirect shareholder in the Guarantor;
- (d) **excluding** any liabilities in respect of any accounting fair value adjustments to borrowings required under International Financial Reporting Standards; and
- (e) **deducting** the aggregate amount of cash and Cash Equivalent Investments held by any member of the Group at such time and any Cash Collateral provided by any member of the Group in respect of Borrowings at such time,

and so that no amount shall be included or excluded more than once.

“**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 of the Issuer and the Guarantor.

“**Daily Non-Cumulative Compounded RFR Rate**” means, in relation to any Business Day during an Interest Period for the Notes, the percentage rate per annum determined by the Issuer (or by any other Finance Party which agrees to determine that rate in place of the Issuer) in accordance with the methodology set out in Section 9.4 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

“**Daily Rate**” for any Business Day is:

- (a) the RFR for that Business Day; or
- (b) if the RFR is not available for that Business Day, the percentage rate per annum which is the aggregate of:
 - (i) the Central Bank Rate for that Business Day; and
 - (ii) the applicable Central Bank Rate Adjustment; or
- (c) if paragraph (b) above applies but the Central Bank Rate for that Business Day is not available, the percentage rate per annum which is the aggregate of:
 - (i) the most recent Central Bank Rate for a Business Day which is no more than five Business Days before that Business Day; and
 - (ii) the applicable Central Bank Rate Adjustment,

rounded, in each case, to four decimal places (with 0.00005 being rounded upwards).

“**Debt Service Reserve Account**” means the account of the Issuer entitled the “Debt Service Reserve Account” and includes any sub-account relating to that account and any replacement account from time to time.

“**Default**” means an Event of Default or any event or circumstance specified in Section 14 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

“**Defaulting Purchaser**” means any Purchaser:

- (a) which has failed to subscribe for the Notes or has notified the Issuer that it will not subscribe for the Notes;
 - (b) which has otherwise rescinded or repudiated a Finance Document; or
 - (c) with respect to which an Insolvency Event has occurred and is continuing, unless, in the case of paragraph (a) above:
 - (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; and
- payment is made within three Business Days of its due date; or

- (ii) the Purchaser is disputing in good faith whether it is contractually obliged to make the payment in question.

"Disruption Event" means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Notes (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"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.

"Eligible Institution" means any Purchaser or other bank, financial institution, trust, fund or other entity selected by the Issuer and which, in each case, is not an Affiliate or Related Fund of, or a member of, the Group.

"Environment Agency" means the Environment Agency for England and Wales, including any successor body or office.

"E.U." means the European Union.

"Equity Cure Account" means the account held by the Guarantor designated as the "Equity Cure Account" and into which any Cure Amount may be deposited in accordance with the terms of the Note Purchase Agreement.

"Event of Default" means any event or circumstance specified as such in Section 14 (*Events of Default*).

"Existing Finance Documents" means the:

- (a) Initial HoldCo Facility Agreement;
- (b) RCF Agreement;
- (c) Subsequent HoldCo Facility Agreement;
- (d) PP 1 Notes;
- (e) PP 2 Notes;

- (f) PP 3 Notes;
- (g) PP 4 Notes;
- (h) PP 5 Notes;
- (i) PP Note Purchase Agreement 1;
- (j) PP Note Purchase Agreement 2;
- (k) PP Note Purchase Agreement 3;
- (l) PP Note Purchase Agreement 4; and
- (m) PP Note Purchase Agreement 5.

“**FATCA**” means:

- (a) sections 1471 to 1474 of the Code and any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US 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 paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“**FATCA Deduction**” is defined in Section 15.1 (*Definitions*).

“**FATCA Exempt Party**” means a Party that is entitled to receive payments free from any FATCA Deduction.

“**Fee Letter**” means any letter or letters dated on or about the date of the Note Purchase Agreement, between the Issuer and the Original Purchasers setting out the fees referred to in Section 19 (*Fees*).

“**Finance Document**” means the Note Purchase Agreement, any Notes, any Secured Creditor Accession Deed, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Intercreditor Agreement, any Security Document, any Reference Rate Supplement, any Compounding Methodology Supplement and any other document designated as a “Finance Document” by the Purchasers and the Issuer.

“**Finance Party**” means any of the Purchasers, holders or Purchaser Representatives.

“**Financial Indebtedness**” means any indebtedness (other than indebtedness owed by one member of the Group to another member of the Group) for or in respect of (without double counting):

- (a) monies 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 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 the International Financial Reporting Standards 16 as applied as at 1 April 2019);

- (e) receivables sold or discounted (except to the extent that there is no recourse);
- (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 the relevant member of the 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) (provided that when this definition is used for the purpose of Section 14.5 (*Non-payment cross-default and cross acceleration*), only the net amount not paid or which is payable by the relevant member of the Group thereunder shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

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.
- (h) any amount raised by issue of redeemable shares which are capable of being redeemed by the holders thereof prior to the Maturity Date.
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (j) (without double counting) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above.

“Financial Support Direction” means a financial support direction issued by the Pensions Regulator under section 43 of the Pensions Act 2004.

“Financial Year” means the annual accounting period of the Group ending on or about 31 March in each year.

"Fitch" means Fitch Ratings Ltd and its successors.

“Fixed Rate” means:

- (a) for the period from and including, the date of Closing to, but excluding, the date falling on the fourth anniversary of the date of Closing, 8.78 per cent. per annum; and
- (b) for the period from and including the date falling on the fourth anniversary of the date of Closing, to and including the Maturity Date, 9.03 per cent. per annum.

“Fixed Rate Notes” means £35,000,000 fixed rate senior secured notes due October 2030.

“Floating Rate Notes” means £40,000,000 floating rate senior secured notes due October 2030.

"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 Financial

Services and Markets Act 2000 or any body corporate or other entity, in each case the assets of which are managed professionally for investment purposes.

“Governmental Agency” includes, in relation to a state or supranational organisation, any agency, authority, central bank, department, government, legislature, ministry, official or public person (whether autonomous or not) of, or of the government of, that state or supranational organisation.

“Gross Redemption Yield” means with respect to the Called Principal of any Note, the yield to maturity calculated by taking the “ask yield” reported as of 10:00am (London time) on the second Business Day preceding the date of any relevant prepayment with respect to such Called Principal:

- (A) as displayed on the designated as “Page PXUK” (or such other display as may replace Page PXUK) on Bloomberg Financial Markets for the then most actively traded “on-the-run” UK Gilt securities having a maturity equal to the Remaining Average Life of such Called Principal as of such prepayment date (or where there is no UK Gilt security with a Remaining Average Life equivalent to the Remaining Average Life applicable to the Called Principal, such yield calculated on the basis of interpolating linearly between (1) the applicable UK Gilt security with the maturity closest to and greater than such Remaining Average Life of the Called Principal and (2) the applicable UK Gilt security with the maturity closest to and less than such Remaining Average Life of the Called Principal); or
- (B) if (a) Page PXUK on Bloomberg Financial Markets (or such other display as may replace Page PXUK) is not published on that day, or (b) the calculation in Page PXUK ceases to be in keeping with the Formula for the Calculation of Redemption Yields indicated by the Joint Index and Classification Committee of the Faculty of Actuaries as reported in the Journal of the Institute of Actuaries Volumes 105, Part I, 1978, page 18, the gross redemption yield as published in the Financial Times of London on the second Business Day preceding the prepayment date with respect to such Called Principal, for the then most actively traded “on-the-run” UK Gilt securities having a maturity equal to the Remaining Average Life of such Called Principal as at such prepayment date. Such implied yield will be determined, if necessary, by (a) converting UK Gilt quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable UK Gilt security with the maturity closest to and greater than such Remaining Average Life and (2) the applicable UK Gilt security with the maturity closest to and less than such Remaining Average Life.

Such Gross Redemption Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

"Group" means the Guarantor and its Subsidiaries for the time being.

"Group Structure Chart" means the group structure chart in the agreed form.

“Guarantee” means the guarantee granted by the Guarantor pursuant to Section 6 (*Guarantee and Indemnity*).

"Hedge Counterparty" means a person which has become a party to the Intercreditor Agreement as a Hedge Counterparty in accordance with the provisions of the Intercreditor Agreement.

“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 Agreement" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Issuer or the Guarantor and a Hedge Counterparty for the purpose of hedging interest rate liabilities in relation to the Notes in accordance with the Note Purchase Agreement, excluding for the avoidance of doubt any Note Hedging Agreement.

"Holder" means, with respect to any Note the person in whose name such Note is registered in the register maintained by the Issuer pursuant to Section 17.1 (*Registration of Notes*) from time to time.

"Holding Issuer" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"IDOK" means an interim determination of K (as that term is defined in the Instrument of Appointment) as provided for in Part IV of Condition B of the Instrument of Appointment.

"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 HoldCo Facility Agreement" means the £200,000,000 term loan facility agreement dated 16 June 2021 between, among others, the Issuer and the Guarantor and the Original Lenders (as defined therein).

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

- (a) that Initial Investor; or
- (b) 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,
- (c) 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
- (d) in relation to Industry Funds Management (Nominees) Limited, or any Initial Investor Affiliate of Industry Funds Management (Nominees) Limited pursuant to paragraph (a) above, Members Equity or ISH.

"Initial Investors" means Camulodunum Investments Ltd, CPP Investment Board Private Holdings (6) Inc, 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, and Infinity Investments S.A.

"Insolvency Event" in relation to a Purchaser means that the Purchaser:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of

its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
- (f) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
- (g) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (h) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;
- (i) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (j) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (k) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (l) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (m) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence, in any of the foregoing acts.

“Instrument of Appointment” means the instrument of appointment granted by the Secretary of State for Environment for AWS as a water and sewerage undertaking under sections 11 and 14 of the Water Act 1989 (now sections 6, 7, 11 and 12 of the WIA), as modified or amended from time to time.

“Intercreditor Agreement” means the Intercreditor Agreement dated 16 June 2021, between, among others, the Guarantor and the Security Trustee.

“Interest Cover” means the ratio of Consolidated EBITDA to Consolidated Net Finance Charges.

"Interest Payment" means the aggregate amount of interest that is, or is scheduled to become, payable under any Finance Document.

"Interest Payment Date" has the meaning given to it in the form of Note set out in the Note Purchase Agreement.

"Interest Period" means, in relation to any of the Notes, (i) the period beginning on Closing and ending on (and including) 19 April 2023, and thereafter (ii) the period from (and excluding) an Interest Payment Date to (but including) the next Interest Payment Date (or, in respect of the final interest period, until the Maturity Date), provided, however, that in no event may any Interest Period end after the Maturity Date.

"Investment Company Act" means the U.S. Investment Company Act of 1940, as amended.

"Investor KYC Condition" is defined in the definition of "Acceptable Investor".

"ISH" means Industry Super Holdings Pty. Ltd. (Australian Company Number 119748060).

"Issuer/Company Loan Agreement" means the "Issuer/Company Loan Agreement" as defined in the Intercreditor Agreement.

"Legal Opinion" means any legal opinion delivered to the Purchasers under Section 4.3 (*Legal opinion*) of the Note Purchase Agreement.

"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 the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK 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.

"Licence Holder" means AWS or any successor.

"Limitation Acts" means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

"Lookback Period" means five Business Days.

"Make-Whole Amount" means, with respect to any prepayment of all or part of any Note of any Series during the Non-Call Period where a Make-Whole Amount is expressed to be applicable, an amount equal to the excess of:

- (a) in respect of the Fixed Rate Notes to be prepaid:
 - (i) an amount calculated by discounting the:
 - (A) aggregate principal amount to be prepaid (disregarding any principal representing capitalised interest and assuming for these purposes that the scheduled due date for repayment of such aggregate principal amount is the last day of the Non-Call Period); and

- (B) interest payments (excluding (1) interest payments which are or have been subject to capitalisation in accordance with Section 10.3 (*Capitalisation*), (2) any increased interest payments in accordance with Section 10.3(c) and (3) any accrued but unpaid interest accrued prior to the date of any relevant prepayment) scheduled to fall due in respect of such principal to be prepaid from (and including) the date of prepayment to (and including) the last day of the Non-Call Period,

in each case, from their respective scheduled due dates referred to above to the date of prepayment, in accordance with accepted financial practice and at a discount rate equal to the Gross Redemption Yield determined two Business Days prior to the date of prepayment plus 0.50% per annum; over

- (ii) the aggregate principal amount (disregarding any principal representing capitalised interest) to be prepaid under such Fixed Rate Note,

provided that if such amount is less than zero, the “Make-Whole Amount” shall be deemed to be zero.

- (b) in respect of the Floating Rate Notes to be prepaid:

- (i) an amount calculated by discounting the:

- (A) aggregate principal amount to be prepaid (disregarding any principal representing capitalised interest and assuming for these purposes that the scheduled due date for repayment of such aggregate principal amount is the last day of the Non-Call Period); and

- (B) interest payments (excluding (1) interest payments which are or have been subject to capitalisation in accordance with Section 10.3 (*Capitalisation*), (2) any increased interest payments in accordance with Section 10.3(c) and (3) any accrued but unpaid interest accrued prior to the date of any relevant prepayment) scheduled to fall due in respect of such principal to be prepaid from (and including) the date of prepayment to (and including) the last day of the Non-Call Period and assuming that the annual interest rate on the Notes to the last day of the Non-Call Period is the MW Coupon,

in each case, from their respective scheduled due dates to the date of prepayment, in accordance with accepted financial practice and at a discount rate equal to the MW Discount Factor determined two Business Days prior to the date of prepayment; over

- (ii) the aggregate principal amount (disregarding any principal representing capitalised interest) to be prepaid under such Floating Rate Note,

provided that if such excess is less than zero, the “Make-Whole Amount” shall be deemed to be zero.

“Margin” means

- (a) for the period from and including the date of Closing to, but excluding, the date falling on the fourth anniversary of the date of Closing, 4.25 per cent. per annum; and
- (b) for the period from and including the date falling on the fourth anniversary of the date of Closing, to and including the Maturity Date, 4.50 per cent. per annum.

“Material Adverse Effect” means a material adverse effect on or material adverse change in:

- (a) the financial condition, assets, business or prospects of either the Issuer or the Guarantor or the consolidated financial condition, assets, business or prospects of the Group or the Issuer or the Guarantor taken as a whole;
- (b) the ability of either the Issuer or the Guarantor to perform and comply with its payment obligations under any Finance Document;
- (c) the validity, legality or enforceability of any Finance Document; or
- (d) the validity, legality or enforceability of any Transaction Security expressed to be created pursuant to any Security Document or on the priority and ranking of any of that Transaction Security.

“Material Non-Regulated Group” means each Non-Regulated Entity which has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) in excess of £5,000,000 in any Financial Year. Compliance with this test shall be determined by reference to the most recent Compliance Certificate supplied by the Guarantor and/or the latest audited financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries). In the event of a dispute over whether a Non-Regulated Entity is a member of the Material Non-Regulated Group, a report by the auditors of the Guarantor that a Subsidiary is or is not a member of the Material Non-Regulated Group shall, in the absence of manifest error, be conclusive and binding on all Parties.

“Maturity Date” means, in relation to the Notes, 19 October 2030.

“MidCo PledgeCo” means Osprey Investco Limited, a company incorporated under the laws of England and Wales with registered number 13379422.

“MW Coupon” means the aggregate rate calculated as the sum of:

- (a) the MW SONIA with a term equivalent to the Remaining Average Life (or where no MW SONIA is shown with a term equivalent to the Remaining Average Life, such figure calculated on the basis of a linear interpolation between the two nearest such rates shown), provided that where the relevant MW SONIA for the purposes of this calculation is less than zero, such rate shall be deemed to be zero; and
- (b) 4.25 per cent.

“MW Discount Factor” means the aggregate rate calculated as the sum of:

- (a) the MW SONIA with a term equivalent to the Remaining Average Life (or where no MW SONIA is shown with a term equivalent to the Remaining Average Life, such figure calculated on the basis of a linear interpolation between the two nearest such rates shown), provided that where the relevant MW SONIA for the purposes of this calculation is less than zero, such rate shall be deemed to be zero; and
- (b) 0.50 per cent. per annum.

“MW SONIA” means the sterling overnight index swap rate showing on a Bloomberg screen with reference YCSW0141 (GBP OIS (SONIA) Curve), or where such screen ceases to exist or no longer shows the relevant information, such other information service as may be agreed between the Company and the Relevant Holders.

“Nationalisation Event” means the seizure, expropriation, nationalisation or acquisition (whether compulsory or otherwise, of a material part, and whether or not for fair compensation) of all or a majority of the issued shares of any member of the Group or any of the material rights or material assets of any member of the Group

(required by such member of the Group to operate its business in the ordinary course) by a Governmental Agency.

“Nationalisation Legislation Event” means the occurrence of the commencement of the final reading of draft legislation in the House of Lords or the House of Commons (whichever occurs later) of legislation which, if passed, would result in the occurrence of a Nationalisation Event;

“Non-Call Period” means, in respect of the Notes, the period starting from, and including, the Closing to, and excluding, the date falling 4 years from the Closing.

“Non-Consenting Purchaser” has the meaning given to it in Section 22.8 (*Replacement of a Non-Consenting Purchaser*).

“Non-Regulated Entity” means any member of the Group from time to time which does not carry out Regulated Business.

“Non-Regulated Group” means the Guarantor and each of its Non-Regulated Subsidiaries.

“Non-Regulated Subsidiary” means any Subsidiary of the Guarantor which is a Non-Regulated Entity.

“Note Hedging Agreement” means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Issuer or the Guarantor and a Note Hedge Counterparty for the purpose of hedging interest rate liabilities in relation to Programme Notes or the Notes.

“Notes” is defined in Section 1 (*Authorisation of Notes; Security; Definitions; Construction*) of the Note Purchase Agreement.

“OAL Group” means OAL and its Subsidiaries.

“OAL” means Osprey Acquisitions Limited, a company incorporated under the laws of England and Wales with registered number 05915896.

“Obligor” means the Issuer or the Guarantor, and any other entity which accedes to the Finance Documents as a guarantor in accordance with the Note Purchase Agreement and the Intercreditor Agreement.

“Other Currency” is defined in Section 29.9 (*Obligation to Make Payment in the Applicable Currency*).

“Ofwat” means the Water Services Regulation Authority for England and Wales, including any successor body or office.

“Ofwat Determination” means the final price determination made by Ofwat on a five-yearly basis.

“Original Financial Statements” means in relation to the Guarantor, the audited consolidated financial statements of the Group for the financial year ended 31 March 2022.

“Original Purchaser” means the Purchasers existing as at the date of the Note Purchase Agreement.

“Osprey Common Terms Agreement” means the common terms agreement dated 16 June 2021 (as amended and/or restated from time to time) between, among others, OAL, Anglian Water (Osprey) Financing plc and Deutsche Trustee Issuer Limited.

“Osprey Group” means OAL, MidCo PledgeCo and Anglian Water (Osprey) Financing plc.

“Osprey MDA” means the master definitions agreement dated on 16 June 2021 (as amended and/or restated from time to time) between, among others, OAL, Anglian Water (Osprey) Financing plc and Deutsche Trustee Issuer Limited.

“Participating Member State” means any member state of the European Union that adopts or has adopted, and in each case continues to adopt, the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"Party" means a party to the Note Purchase Agreement.

“Pension Schemes” means the Anglian Water Group Pension Scheme, the Morrison Pension and Life Assurance Plan in so far as it relates to the Group.

“Pensions Regulator” means the body corporate called the Pensions Regulator established under Part I of the Pensions Act 2004.

"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.

“Permitted Distribution” means the payment of a dividend, any other distribution or payment of any amount under any loan from Holdco to the Guarantor, in each case where such payment is made by the Guarantor to Holdco to enable Holdco or AWGL to make payments in respect of any tax liabilities, employment costs, insurance premia or professional advisers’ fees incurred by it, provided that, in the case of employment costs, insurance premia or professional advisers’ fees, such costs, premia and fees in aggregate shall not exceed £500,000 (or its equivalent) in any Financial Year.

"Permitted Financial Indebtedness" means Financial Indebtedness:

- (a) arising under any of the Finance Documents or any of the Existing Finance Documents;
- (b) arising under any Subordinated Debt;
- (c) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade but not a foreign exchange transaction for investment or speculative purposes;
- (d) arising under a Permitted Loan or a Permitted Guarantee or as part of any Treasury Transaction permitted under Section 13.19 (*Treasury Transactions*);
- (e) of any person acquired by either the Issuer or the Guarantor after the date of the Note Purchase Agreement (as permitted under the Note Purchase Agreement) which is incurred under arrangements in existence at the date of acquisition, but not incurred or increased or its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of six months or less following the date of acquisition;
- (f) arising under any netting or set-off arrangements permitted pursuant to paragraph (d) of the definition of “Permitted Security”, the maximum aggregate net amount of which does not exceed £10,000,000;
- (g) arising under the Programme Notes, the PP Notes, the Note Documents, the PP Note Documents or any Note Hedging Agreement; and
- (h) arising after the date hereof provided that:
 - (i) such additional Financial Indebtedness does not rank senior to the Secured Debt; or
 - (ii) if such additional Financial Indebtedness is secured (but not otherwise), the creditors (and/or their representative) of such Financial Indebtedness accede to the

Intercreditor Agreement as Secured Creditors on or prior to advancing funds to the Issuer or, as the case may be, the Guarantor; and no Default would occur as a result of the incurrence of such Financial Indebtedness.

"Permitted Guarantee" means:

- (a) any arising under any Finance Document, any Existing Finance Document, the Programme Notes, the PP Notes, the Note Documents, the PP Note Documents or any Note Hedging Agreement;
- (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 issuer guarantee or performance or similar bond in each case guaranteeing the performance by either the Issuer or the Guarantor under any contract entered into in the ordinary course of trade and any counter-indemnity in respect of any such bond;
- (e) 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;
- (f) any guarantee given in respect of the netting or set-off arrangements permitted pursuant paragraph (e) of the definition of "Permitted Security";
- (g) any guarantee permitted by the definition of "Permitted Financial Indebtedness";
- (h) 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
- (i) 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 Joint Venture" means any investment in any Joint Venture, existing on or prior to the date of the Note Purchase Agreement, where:

- (a) the Joint Venture is established in the European Union or the United Kingdom;
- (b) the Joint Venture is engaged in business substantially the same as that carried on by the Group; and
- (c) in any Financial Year, the aggregate of:
- (d) all amounts subscribed for shares in, lent to, or invested in all such Joint Ventures by any member of the Controlled Group;
 - (i) 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
 - (ii) 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 Note Purchase 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 (d)(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, in respect of the Issuer or an Intermediate Subsidiary:

- (a) any trade credit extended by either the Issuer or the Guarantor to its customers on normal commercial terms and in the ordinary course of its trading activities;
- (b) a loan made by either the Issuer or the Guarantor to a member of the Group;
- (c) any Financial Indebtedness where either the Issuer or the Guarantor is a creditor to a Permitted Joint Venture;
- (d) a loan made by either the Issuer or the Guarantor to an employee or director of any member of either the Issuer or the Guarantor if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Issuer and the Guarantor does not exceed £2,000,000 (or its equivalent) at any time;
- (e) any loan made pursuant to any Finance Document, any Existing Finance Document, the Programme Notes, the PP Notes, the Note Documents, the PP Note Documents or any Note Hedging Agreement;
- (f) any loan made by the Issuer to the Guarantor pursuant to the Issuer/Company Loan Agreement; and
- (g) any loan not otherwise permitted above (other than a loan made by one member of the Group to another member of the 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 Security" means:

- (a) any Security or Quasi-Security arising under any Finance Document (including any Security Document), any Existing Finance Document, the Programme Notes, the PP Notes, the Note Documents, the PP Note Documents or any Note Hedging Agreement;
- (b) 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;
- (c) 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;
- (d) 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 or Quasi-Security under a credit support arrangement in relation to a hedging transaction;

- (e) any Security or Quasi-Security over or affecting any asset acquired by a member of the Controlled Group after the date of the Note Purchase Agreement if:
 - (i) the Security or Quasi-Security 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 asset by a member of the Controlled Group; and
 - (iii) the Security or Quasi-Security is removed or discharged within six months of the date of acquisition of such asset;
- (f) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the Controlled Group after the date of the Note Purchase Agreement, where the Security or Quasi-Security is created prior to the date on which that company becomes a member of the Controlled Group if:
 - (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that company;
 - (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and
 - (iii) the Security or Quasi-Security is removed or discharged within six months of that company becoming a member of the Controlled Group;
- (g) any Security or Quasi-Security 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 a member of the Controlled Group;
- (h) any Security or Quasi-Security arising as a result of a disposal which is not prohibited by the terms of the Note Purchase Agreement;
- (i) 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;
- (j) any Security or Quasi-Security permitted under the terms of the Intercreditor Agreement;
- (k) any Security or Quasi-Security 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 Intercreditor Agreement as Secured Creditors on or prior to the advancing of funds which in aggregate amount does not exceed £10,000,000; or
- (l) any Security or Quasi-Security 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 or Quasi-Security given by any member of the Controlled Group other than any permitted under paragraphs (a) to (i) above) does not exceed £5,000,000 (or its equivalent in other currencies); or

- (m) any Security or Quasi-Security given by any Non-Regulated Subsidiary pursuant to the terms of the financing arrangements entered into by the Osprey Group and/or the AWS Financing Group.

“Permitted Share Issue” means:

- (a) in respect of the Guarantor, making any issue of shares to its immediate parent company and recording share premiums in relation to such share issuance; and
- (b) in respect of the Issuer, making any issue of shares to the Guarantor and recording share premiums in relation to such share issuance.

“Permitted Tax Loss Transaction” means any surrender of tax losses or agreement relating to tax benefit or relief between members of the Group.

"Permitted Transaction" means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security or Quasi-Security given, or other transaction arising under the Existing Finance Documents, the Programme Notes, the PP Notes, the Note Documents, the PP Note Documents or any Finance Document;
- (b) the solvent liquidation, removal, striking off, winding up or reorganisation (and any associated corporate steps required to facilitate such action) or any member of the Group which is not the Issuer or the Guarantor (including any dormant companies and for avoidance of doubt any Non-Regulated Entity) provided that no Material Adverse Effect is likely to occur as a result of such action;
- (c) any transactions (other than (i) any sale, lease, licence, transfer or other disposal in circumstances where such sale, lease, licence, 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 or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms;
- (d) any transaction in connection with any Finance Document, any Existing Finance Document, the Programme Notes, the PP Notes, the Note Documents, the PP Note Documents or any Note Hedging Agreement;
- (e) any corporate reconstruction of the Group (including, but not limited to any capital reduction of a member of the Group, the insertion of any new holding companies or any tax restructurings) provided that the Issuer and the Guarantor continue to comply with the financial covenants set out in Section 8 (*Financial Covenants*);
- (f) the payment and/or recharge of any costs and expenses related solely to head office or other central overhead costs:
 - (i) the payment and/or recharge of any costs and expenses related solely to head office or other central overhead costs;
 - (ii) made by either the Issuer or the Guarantor to any member of the Group;

- (iii) received by either the Issuer or the Guarantor from any person;
- (g) any Permitted Tax Loss Transaction;
- (h) any Permitted Share Issue; or
- (i) any other transaction agreed to by the Required Holders.

“**PP 1 Notes**” means the notes issued pursuant to PP Note Purchase Agreement 1.

“**PP 2 Notes**” means the notes issued pursuant to PP Note Purchase Agreement 2.

“**PP 3 Notes**” means the notes issued pursuant to PP Note Purchase Agreement 3.

“**PP 4 Notes**” means the notes issued pursuant to PP Note Purchase Agreement 4.

“**PP 5 Notes**” means the notes issued pursuant to PP Note Purchase Agreement 5.

“**PP Note Purchase Agreement 1**” means the note purchase agreement dated 28 October 2021 in respect of £10,500,000 fixed to floating rate notes due November 2027 between the Company and the Purchasers (as defined therein).

“**PP Note Purchase Agreement 2**” means the note purchase agreement dated 28 October 2021 in respect of £145,000,000 fixed to floating rate notes due November 2028 between the Company and the Purchasers (as defined therein).

“**PP Note Purchase Agreement 3**” means the note purchase agreement dated 28 October 2021 in respect of £120,000,000 4.82 per cent fixed rate notes due November 2030 between the Company and the Purchasers (as defined therein).

“**PP Note Purchase Agreement 4**” means the note purchase agreement dated 28 October 2021 in respect of £30,000,000 floating rate notes due November 2030 between the Company and the Purchasers (as defined therein).

“**PP Note Purchase Agreement 5**” means the note purchase agreement dated 29 November 2021 in respect of £50,000,000 fixed to floating rate notes due December 2030 between the Company and the Purchasers (as defined therein).

“**PP Notes**” has the meaning given to it in the Intercreditor Agreement.

“**Programme Notes**” has the meaning given to the term “Notes” in the Intercreditor Agreement.

“**Prohibited Jurisdiction**” means Cuba, Iran, North Korea or a country, territory or jurisdiction on the latest Financial Action Task Force (FATF) Public Statement and in relation to which a FATF “call on its members” applies.

“**property**” or “**properties**” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“**PSC Register**” means a “PSC register” within the meaning of section 790C(10) of the Companies Act 2006.

“**Purchaser**” has the meaning given to it in the Note Purchase Agreement and with the term “Purchaser” or collectively the “**Purchasers**”, to include any holder of the Notes from time to time (as the context permits).

“**Quasi-Security**” has the meaning given to that term in Section 13.3 (*Negative pledge*).

“**RCV**” means in relation to any Calculation Date, the regulated asset value for such date as last determined and notified to the Licence Holder at the most recent Periodic Review or IDOK or other procedure through which

the Board of Ofwat may in future 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), provided that for the purpose of Sections 13.6 (*Acquisitions*) and 13.14 (*Dividends and share redemption*) only, RCV shall be increased for any 'log-ups' in respect of expenditure on major AWS capital projects not assumed in the most recent Ofwat Determination or IDOK as certified by two directors (one of whom shall be the Finance Director of the Guarantor and one of whom shall be a director of AWS) in a certificate setting out (a) the amount of the increase; (b) the basis and computation of the increase and, confirming to the best of their knowledge, such basis will reflect the expected treatment of such expenditure by Ofwat in relation to the 'log-up'; and (c) where relevant, the basis of the reasonable expectation of recovery.

"RCF Agreement" means the £30,000,000 revolving facility agreement dated 28 October 2021 between, among others, the Obligors and the Original Lender (as defined therein).

"Reference Rate Supplement" means a document which:

- (a) is agreed in writing by the Issuer and the Required Holders;
- (b) specifies the relevant terms which are expressed in the Note Purchase Agreement to be determined by reference to Reference Rate Terms; and
- (c) has been made available to the Issuer and each holder of a Note.

"Reference Rate Terms" means the terms set out in the Note Purchase Agreement or in any relevant Reference Rate Supplement.

"Regulated Business" means the business of a "relevant undertaker" (as that term is defined in the WIA) in the United Kingdom carried out by the OAL Group.

"Regulated Entity" means each of AWSH, Anglian Water Services UK Parent Co Limited, AWS and Anglian Water Services Financing plc and any other member of the OAL Group from time to time which carries out Regulated Business.

"Regulation D" means Regulation D under the Securities Act.

"Regulation S" means Regulation S under the Securities Act.

"Related Fund" means:

- (a) 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; or
- (b) a fund whose investment manager or investment adviser is an Affiliate of a Purchaser.

"Relevant Jurisdiction" means, in relation to either the Issuer or the Guarantor:

- (a) its jurisdiction of incorporation; and
- (b) any jurisdiction whose laws govern any of the Security Documents entered into by it.

"Relevant Market" means the sterling wholesale market.

"Relief" includes any relief, loss, allowance, exemption, set-off, deduction or credit in computing or against profits or Tax.

"Remaining Average Life" means, with respect to any Called Principal, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (x) the principal component of each remaining scheduled payment due during the Non-Call Period with respect to such Called Principal, assuming such principal will fall due on the last day of the Non-Call Period (and assuming that all scheduled principal payments after the last day of the Non-Call Period are zero), by (y) the number of years, computed on the basis of the actual number of calendar days that will elapse between (a) the payment date with respect to such Called Principal and (b) each remaining scheduled payment date due during the Non-Call Period with respect to such Called Principal, divided by 360 by (ii) such Called Principal.

"Repeating Representations" means each of the representations set out in Sections 6.1 (*Status*), 6.2 (*Binding obligations*), 6.3 (*Non-conflict with other obligations*), 6.4 (*Power and authority*), 6.5 (*Validity and admissibility in evidence*), 6.10 (*No default*), 6.12 (*Financial statements*) (other than paragraph (a) of Section 6.12 (*Financial statements*)), 6.13 (*Pari passu ranking*), 6.14 (*No proceedings pending or threatened*), 6.15 (*Title*), 6.19 (*Ownership of assets*), 6.21 (*Anti-Corruption*) and 6.24 (*Sanctions*) of the Note Purchase Agreement.

"Required Holders" means, at any time:

- (a) prior to or on the Closing, all of the Purchasers;
- (b) (subject to paragraph (c) below) at any time on or after the Closing, the holders of more than 662/3% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by either the Issuer or the Guarantor or any of its Affiliates); and
- (c) (in relation to any matter affecting only a particular Series of Notes, such as a matter affecting only the Floating Rate Notes or the Fixed Rate Notes) at any time after the Closing, the holders of more than 662/3% in principal amount of such Series at the time outstanding (exclusive of Notes then owned by either the Issuer or the Guarantor or any of its Affiliates).

"Restricted Period" means any period in which AWS 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 AWS Common Terms Agreement.

"Restricted Transferee" means any Hedge Fund, Competitor or Distressed Debt Fund.

"RFR" means the SONIA (sterling overnight index average) reference rate displayed on the relevant screen of any authorised distributor of that reference rate.

"Sanctioned Country" means a country or territory that is, or whose government is, the subject of any comprehensive countrywide or territory-wide Sanctions which are, as at the date of the Note Purchase Agreement, North Korea, Iran, Syria Cuba, the so-called People's Republic of Donetsk and People's Republic of Luhansk of Ukraine 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 E.U. (or any of its member states);
- (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); or

- (e) the Australian government,

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 OFAC; (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 paragraph (a) or (b) above; or
- (d) otherwise by public designation or declaration of a Sanctioning Authority, the subject of any Sanctions.

"Secondary Tax Liability" means any liability to UK Tax of a Regulated Entity for which an Initial Investor or current or former Initial Investor Affiliate is primarily liable.

"Secured Creditors" has the meaning given to it in the Intercreditor Agreement.

"Secured Creditor Accession Deed" has the meaning given to it in the Intercreditor Agreement.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Secured Debt" has the meaning given to it in the Intercreditor Agreement.

"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 the security agreement dated 16 June 2021 between the Chargors and the Security Trustee.

"Security Document" means the Security Agreement and any other document entered into by any member of the Group creating, evidencing or expressed to create or evidence any Security over all or any part of its assets in respect of the Liabilities.

"Security Trustee" means Deutsche Trustee Company Limited.

"Subordinated Debt" has the meaning given to the term "Subordinated Liabilities" in the Intercreditor Agreement.

"Subsequent HoldCo Facility Agreement" means the £95,000,000 term loan facility agreement dated 9 December 2021 between, among others, the Obligors and the Original Lender (as defined therein).

"Subsidiary" means a subsidiary within the meaning of section 1159 of the Companies Act 2006 and, for the purpose of Section 8 (*Financial Covenants*) and in relation to financial statements of the Group, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

“**Substitute Purchaser**” is defined in Section 26 (*Substitution of Purchaser*).

“**SVO**” means the Securities Valuation Office of the NAIC or any successor to such Office.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Transaction Costs**” means all non-periodic fees, costs and expenses, stamp, registration and other Taxes incurred by the Guarantor or any other member of the Group in connection with the Finance Documents, the Existing Finance Documents or any Note Document (including the Note Purchase Agreement).

“**Transaction Security**” means the Security created, evidenced or expressed to be created or evidenced pursuant to the Security Documents.

“**Transferee Tax Letter**” is defined in Section 15.1 (*Definitions*).

“**Treasury Transaction**” means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate, price or index.

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

“**U.K.**” or “**UK**” means the United Kingdom.

“**U.S.**”, “**US**” and “**United States**” means the United States of America.

“**VAT**” means:

- (a) any value added tax imposed by the Value Added Tax Act 1994 of the United Kingdom;
- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) or (b) above or imposed elsewhere.

“**WIA**” means the Water Industry Act 1991.

31 Prescription.

The Notes are constituted by the Note Purchase Agreement, which is a simple contract. Therefore, pursuant to section 5 of the Limitation Act 1980, an action founded on the Note Purchase Agreement cannot be brought after the expiration of six years from the date on which the cause of action accrued.

PART B – THE NOTES - PRICING AND ADDITIONAL TERMS

32 Pricing

Maturity Date	19 October 2030
Currencies	Sterling
Interest Payment Date	19 April and 19 October in each year, commencing with 19 April 2023

Rate of Interest

Fixed Rate Notes:

- (a) 8.78 per cent. from the and including the date of Closing to but excluding the date falling on the fourth anniversary of the date of Closing; and
- (b) 9.03 per cent. from and including the date falling on the fourth anniversary of the date of Closing to and including the Maturity Date,

and to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to 1% above the interest rate otherwise payable with respect to the Note.

Interest is computed on the basis of a 360-day year of twelve 30-day months.

Floating Rate Notes:

The applicable Margin and the applicable Compounded Reference Rate, and to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to 1% above the interest rate otherwise payable with respect to the Note.

Interest is computed on the basis of a 365-day year for the actual number of days elapsed.

Issue Price	100 per cent.
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33 Additional Terms

Indication of yield

Fixed Rate Notes:

Calculated as 8.78% (on an annual basis) for the period from and including the date of Closing to but excluding the fourth

anniversary of the date of Closing and 9.03% (on an annual basis) for the period from and including the fourth anniversary of the date of Closing to and including the Maturity Date.

Floating Rate Notes:

The yield on the Floating Rate Notes will be subject to change.

The yield on both the Fixed Rate Notes and Floating Rate Notes is calculated on the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

Fixed Rate Notes: GB00BPBRCM03

Floating Rate Notes: GB00BPBRCN10

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PART C – THE INTERCREDITOR AGREEMENT

The following is a summary of certain terms of the Intercreditor Agreement.

Intercreditor Agreement

The Intercreditor Agreement was entered into on 16 June 2021 between the Issuer, the Guarantor and Deutsche Trustee Company Limited (the “**Security Trustee**”) and other secured creditors (the “**Secured Creditors**”) to govern the arrangements between all the Secured Creditors.

Shared Security

The Secured Creditors, which include the Note Trustee (on its own behalf and on behalf of the Noteholders), share in the Security created by the Security Agreements or any other Transaction Security Document. The Security Trustee (on its own behalf and on behalf of the Secured Creditors (including the Note Trustee for and on behalf of the Noteholders)), together with the Issuer and Guarantor, entered into the Intercreditor Agreement which regulates, amongst other things:

- (a) the claims of the Secured Creditors;
- (b) the exercise, acceleration and enforcement of rights by the Secured Creditors;
- (c) consents, amendments, and overrides in respect of the Intercreditor Agreement and any Transaction Security Document; and
- (d) voting by the Secured Creditors.

The Intercreditor Agreement does not regulate amendments, waivers or releases in respect of the Transaction Documents or any other underlying credit documents that may be entered into from time to time between a Secured Creditor and the Issuer and/or the Guarantor (the Note Purchase Agreement and any other underlying credit documents from time to time being the “**Underlying Transaction Documents**”).

Other future credit providers, including any Hedge Counterparties, may become Secured Creditors from time to time by acceding to the Intercreditor Agreement as Secured Creditors.

Secured Creditors and Secured Creditor Representatives

All Secured Creditors must be party to the Intercreditor Agreement (either directly, or through, in the case of any Noteholders, the Note Trustee). The Intercreditor Agreement allows for the following creditors to accede to the Intercreditor Agreement as Secured Creditors by way of an accession deed:

- (a) transferees or assignees of the Subordinated Lenders or Secured Creditors;
- (b) any person which becomes a Secured Creditor Representative in accordance with the terms of the relevant Transaction Documents;
- (c) lenders under any new bank facilities (including transferees); and
- (d) Hedge Counterparties.

For the purposes of the Intercreditor Agreement, the Secured Creditors will be represented as follows by:

- (a) in respect of each series of Notes (as defined in the Intercreditor Agreement), the Note Trustee;
- (b) in respect of a Loan Facility, the agent in respect of that Loan Facility;
- (c) in respect of a Hedging Agreement, the relevant Hedge Counterparty (representing itself);

- (d) in respect of each Authorised Credit Facility, the relevant facility agent appointed by the Authorised Credit Facility Providers or a trustee entity as trustee for all Authorised Credit Facility Providers party to the relevant Authorised Credit Facility; and
 - (e) for each other Secured Creditor (including the Notes under this Prospectus), the relevant Secured Creditor,
- (each, a “**Secured Creditor Representative**”).

Claims of the Secured Creditors

The Intercreditor Agreement regulates the claims of the Secured Creditors. Amounts received or recovered from time to time by the Security Trustee pursuant to the terms of any Transaction Document or in connection with the realisation or enforcement of all or any part of the Transaction Security are applied in the following order:

- (a) **first**, on a *pro rata* basis:
 - (i) in payment of all fees, costs, charges, expenses and liabilities (including any taxes required to be paid) incurred by or on behalf of the Security Trustee, any receiver or any delegate appointed by the Security Trustee in connection with carrying out its functions under the Intercreditor Agreement and the other Intercreditor Transaction Documents (including in connection with any realisation or enforcement of the Transaction Security) and any other amount payable to the Security Trustee in accordance with the terms of the Intercreditor Agreement; and
 - (i) in payment or satisfaction of the fees, costs, charges, expenses and liabilities (including any taxes required to be paid properly) incurred by the Note Trustee and any other delegate appointed by it or them in carrying out its or their functions under the Intercreditor Agreement and/or the applicable Note Documents and any other amount payable to the Note Trustee as remuneration or pursuant to any indemnity provided to the Note Trustee under the provisions of the Trust Deed;
- (b) **second**, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by the Term Facility Agent, the Bridge Facility Agent, the Note Agents and any other agent in carrying out its functions under the Transaction Documents (as the case may be);
- (c) **third**, on a *pro rata* basis in payment to:
 - (i) the Note Trustee (on behalf of any Noteholders);
 - (ii) the Term Facility Agent (on behalf of the Original Term Loan Finance Parties);
 - (iii) the Bridge Facility Agent (on behalf of the Original Bridge Loan Finance Parties);
 - (iv) the relevant Secured Creditor Representative (on behalf of the other Authorised Credit Facility Providers); and
 - (v) each Hedge Counterparty,for application (in accordance with the terms of the relevant Underlying Transaction Documents) towards the discharge of the Secured Liabilities;
- (d) **fourth**, if the Security Trustee shall have received written notice from the Obligors that none of the Obligors is under any further actual or contingent liability under any Intercreditor Transaction

Document, in payment to any person to whom the Security Trustee is obliged to pay in priority to any of the Obligors, as notified in writing by any of the Obligors to the Security Trustee; and

- (e) **fifth**, the balance, if any, in payment to the Obligors (as shall be confirmed in writing to the Security Trustee by any of the Obligors) for application by such Obligor in its discretion, including, if applicable and so decided, towards discharge of the Subordinated Liabilities.

“**Obligors**” means each of the Guarantor (as defined in this Prospectus), the Issuer and any entity which accedes to the Intercreditor Agreement as an Obligor in accordance with its terms.

“**Secured Liabilities**” means all the liabilities and all other present and future obligations at any time due, owing or incurred by any Obligor to any Secured Creditor under the Transaction Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

Enforcement Action under the Intercreditor Agreement

No Secured Creditor Representative or the Security Trustee (either in relation to the Transaction Security or under the Intercreditor Agreement) may take Enforcement Action in relation to the Transaction Security granted by the Obligors unless and until a decision is passed by the EVM Majority Creditors in relation to any proposal or direction in favour of taking such Enforcement Action.

At any time following any decision to take Enforcement Action, each Secured Creditor will be entitled to exercise all rights available to it under a Transaction Document to which it is a Party (except any Transaction Security Document) and direct the Security Trustee to take such Enforcement Action. The Security Trustee upon receiving such direction is entitled to enforce any Transaction Security Document in accordance with the terms of the Intercreditor Agreement.

“**Enforcement Action**” means:

- (a) in relation to any Secured Liabilities, the acceleration of any Secured Liabilities or 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 mandatory prepayment arising under, the Transaction Documents) or payable on demand, or the making of any demand against any member Obligor in relation to any Guarantee of that Obligor, or the exercise of any right of set-off, account combination or payment netting against any Obligor in respect of any Secured Liabilities, or the premature termination or close-out of any Hedging Liabilities (other than such a close-out which is permitted under the relevant Hedging Agreement), in each case, in accordance with the terms of the Underlying Transaction Documents, or the taking of any steps to enforce any Transaction Security; and
- (b) the suing for, commencing or joining of any legal or arbitration proceedings against any of the Issuer and MidCo to recover any Liabilities,

in each case, in accordance with the Underlying Transaction Documents.

Following any Enforcement Action being taken pursuant to the passing of an Enforcement Action Decision (other than in respect of any Permitted Hedging Transactions), the liabilities of all Secured Creditors will automatically be accelerated and, subject to receiving instructions from the Majority Creditors (in accordance with the votes from relevant Majority Creditors in respect of an ICA Voting Request or valid Direction Notice) and such indemnities, pre-funding or security as it may require, the Security Trustee shall enforce the Security without need for further instruction and all proceeds shall be applied by the Security Trustee in accordance with the order of priority of payments.

Modifications/Waivers and Releases under the Intercreditor Agreement or the Transaction Security Documents

No amendments or waivers in respect of the Intercreditor Agreement or in respect of the Transaction Security Documents may be made except pursuant to an ICA Proposal delivered by the Guarantor (as defined in this Prospectus) to the Security Trustee. Such ICA Proposal shall set out the category of amendment or waiver and whether such requested amendment or waiver gives rise to the Entrenched Rights of the Secured Creditors. If the ICA Proposal is in respect of certain categories of amendments or waivers, the Security Trustee may only consent to such ICA Proposal with the written agreement of the requisite threshold of Secured Creditors.

In the event that the ICA Proposal is in respect of a Discretion Matter, the Security Trustee may (in its sole discretion) approve such ICA Proposal.

The Intercreditor Agreement sets out that the following constitute “**Entrenched Rights**” of the Secured Creditors:

- (a) any amendment or waiver which would result in an increase in or would adversely modify the obligations or liabilities of a Secured Creditor or materially reduce the rights of a Secured Creditor, in each case under the Intercreditor Agreement or Transaction Security Documents;
- (b) any amendment or waiver which would result in any release of any of the Transaction Security (unless at least equivalent replacement security is taken at the same time or such release is permitted in accordance with the Intercreditor Agreement and the relevant Transaction Security Document);
- (c) in respect of the Transaction Security, any amendment or waiver which would adversely alter the rights of priority of or enforcement by a Secured Creditor;
- (d) any amendment or waiver which would change the order of priority of payments set out under the Intercreditor Agreement;
- (e) any amendment or waiver which would change any of the Entrenched Rights; or
- (f) any amendment or waiver which would change the Secured Creditor decision-making process contained in the Intercreditor Agreement.

If an Entrenched Right of a Secured Creditor is affected, the relevant Secured Creditor’s approval must be obtained in accordance with the provisions of the relevant Underlying Transaction Document before the proposed change can be made.

The relevant Secured Creditors may agree to amend or waive the terms of the Underlying Transaction Documents in accordance with the terms of those Underlying Transaction Documents without the consent of any Secured Creditors that are not party to such documents.

Voting under the Intercreditor Agreement

The Intercreditor Agreement specifies that the relevant Secured Creditor Representatives (on behalf of the relevant Secured Creditor) may give instructions or directions in respect of:

- (a) the exercise by the Security Trustee of any of its rights, powers and discretions; and
- (b) subject to Entrenched Rights, amendments, waivers and releases under the Intercreditor Agreement and the Transaction Security Documents.

The Security Trustee may request and must act on instructions given by such Secured Creditor Representative or Secured Creditor Representatives representing (i) at least in aggregate 75 per cent. of the aggregate Outstanding Principal Amount of the Qualifying Secured Debt where the instructions relate to an Extraordinary

Voting Matter or (ii) greater than in aggregate 50 per cent. of the Voted Qualifying Secured Debt, where the instructions relate to any Ordinary Voting Matter.

In relation to any consent, waiver, approval, discretion, determination, instruction or other decision or any other derivative thereof (the “**decision**”) to be made pursuant to the Intercreditor Agreement, the Security Trustee shall notify each Secured Creditor Representative of the matter in question and shall also inform each Secured Creditor Representative of the date on which it must provide its vote in relation to the relevant decision (the “**Decision Date**”).

Each Secured Creditor Representative shall, by the Decision Date, provide to the Security Trustee a certificate setting out directions to the Security Trustee as to the decision of its Secured Creditors, and the certificate shall include the Outstanding Principal Amount of the relevant Secured Creditors’ Qualifying Secured Debt and its Voted Qualifying Secured Debt in respect of the relevant Underlying Transaction Document.

If a Secured Creditor Representative has not notified the Security Trustee of its instructions in relation to an Ordinary Voting Matter by the Decision Date, then in respect of any decision which is required to be made by the relevant Secured Creditors, the Commitments in respect of the relevant Underlying Transaction Document shall be excluded from the numerator or denominator of any fraction used for the purposes of calculating the majority required to approve the relevant ICA Proposal, subject to certain exceptions.

In respect of Underlying Transaction Documents which constitute a Series of Notes, the holders of such Notes will be represented in their entirety by the Note Trustee (100 per cent. of principal outstanding will be voted for or against based on the voting mechanics in the Trust Deed).

In respect of Underlying Transaction Documents which are bank facilities, the lenders will be represented in their entirety by the agent in respect of the relevant facility (100 per cent. of commitments or principal outstanding (as the case may be) will be voted for or against based on the voting mechanics in the relevant facility agreement).

In respect of the Hedge Counterparties, each Hedge Counterparty, except where there is an Entrenched Right, will only be entitled to vote in respect of an Extraordinary Voting Matter and will have a single vote by reference to the Outstanding Principal Amount of the relevant Hedging Transaction.

CHAPTER 4

BUSINESS DESCRIPTION OF ISSUER

The Issuer was incorporated in England and Wales on 12 May 2021 (registered number 13390485) as a public limited company under the Companies Act (as amended). The registered office of the Issuer is at Lancaster House Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, United Kingdom, PE29 6XU. The telephone number of the Issuer's registered office is +44 (0) 1480 323 000. The website of the Issuer is <https://www.awg.com> but information on the website does not form part of this Prospectus unless it has been explicitly incorporated by reference into this Prospectus.

Ownership

As at the date of this Prospectus, the issued share capital of the Issuer comprises 50,000 ordinary shares of one pound sterling each of which are fully paid up, and all of which are beneficially owned by Aigrette Financing Limited.

Business Activities

The Issuer is a special purpose financing entity with no business operations other than raising external funding for the Guarantor 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 Prospectus, and the entry into of financing transactions entered into in accordance with, the Financing 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 set out in the Conditions.

Corporate Governance

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

Name	Position	Business Address
Mr Peter John Simpson	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Mr Steven John Buck	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Mr John Raymond Hirst	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU

All directors of the Issuer are also directors of Anglian Water Group Limited, Osprey Holdco Limited, the Guarantor, Anglian Water (Osprey) Financing plc, Osprey Acquisitions Limited, Osprey Investco Limited, AWG Parent Co Ltd, Anglian Water Services Holdings Limited, Anglian Water Services UK Parent Co Limited, AWS and Anglian Water Services Financing Plc. Peter Simpson and Steven Buck are also directors of AWG Group Limited and Anglian Venture Holdings Limited. Steven Buck is also a director of AWG (UK) Holdings Limited.

The company secretary of the Issuer is Claire Russell whose business address is Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU.

Conflicts

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

CHAPTER 5

BUSINESS DESCRIPTION OF GUARANTOR

The Guarantor was incorporated in England and Wales on 6 May 2021 (registered number 13379437) as a private limited company under the Companies Act (as amended). The registered office of the Guarantor is at Lancaster House Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, United Kingdom, PE29 6XU. The telephone number of the Guarantors' registered office is +44 (0) 1480 323 000. The website of the Guarantor is <https://www.awg.com> but information on the website does not form part of this Prospectus unless it has been explicitly incorporated by reference into this Prospectus.

Ownership

As at the date of this Prospectus, the issued share capital of the Guarantor comprises 1,199,800,001 ordinary shares of fifty-five pence sterling each of which are fully paid up, and all of which are beneficially owned by Osprey HoldCo Limited.

Business Activities and Subsidiaries

The Guarantor is a holding company with no material, direct business operations. The principal assets of the Guarantor are the equity interests it directly or indirectly holds in the Guarantor's operating subsidiaries (primarily AWS).

The Guarantor is the beneficial owner of (i) the entire issued share capital of Osprey Investco Limited; and (ii) the entire issued share capital of the Issuer.

The Guarantor has not engaged, since its incorporation, in any material activities nor commenced operations other than those incidental to its registration as a private limited liability company under the Companies Act 2006 (as amended), and the entry into of financing transactions entered into in accordance with, the Financing Platform and other matters which are incidental or ancillary to the foregoing. The Guarantor has no employees.

The Guarantor will covenant to observe certain restrictions on its activities which are set out in the Conditions.

Corporate Governance

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

Name	Position	Business Address
Peter John Simpson	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Steven John Buck	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
David Stirton	Director	C/O Ifm Investors, 2 London Wall Place, London, EC2Y 5AU
John Raymond Hirst	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
James Alexander Bryce	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Niall Patrick Mills	Directors	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Alexandros Nassuphis	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Batiste Thomas Degaris Ogier	Director	Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
Duncan John Symonds	Director	C/O IFM Investors, 60 Gresham Street, London, United Kingdom, EC2V 7BB
John Richard Barry	Director	Camlumlodunum Investments Ltd, Cannon Place, 78 Cannon Street, London, England, EC4N 6AF
Jeremy Aflalo	Director	Abu Dhabi Investment Authority, 211 Corniche Street, Abu Dhabi, United Arab Emirates

Name	Position	Business Address
Luis Pisco	Director	Abu Dhabi Investment Authority, 211 Corniche Street, Abu Dhabi, United Arab Emirates

All directors are also directors of Anglian Water Group Limited and Osprey Holdco Limited. Peter Simpson, Steven Buck and John Hirst are also directors of the Guarantor, Osprey Investco Limited, Anglian Water (Osprey) Financing plc, Osprey Acquisitions Limited, AWG Parent Co Ltd, Anglian Water Services Holdings Limited, Anglian Water Services UK Parent Co Limited, AWS and Anglian Water Services Financing Plc. Mr Peter Simpson and Mr Steven Buck are also directors of AWG Group Limited and Anglian Venture Holdings Limited. Mr Steven Buck is also a director of AWG (UK) Holdings Limited.

The company secretary of the Guarantor is Claire Russell whose business address is Lancaster House, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU.

Conflicts

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

CHAPTER 6
USE OF PROCEEDS

The Issuer shall apply all amounts received from the purchase of the Notes by the Noteholders for its general corporate purposes which include the refinancing of existing debt.

CHAPTER 7 TAX CONSIDERATIONS

UK Tax Considerations

The following is a general summary of the UK withholding tax treatment in relation to payments of principal and interest (as that term is understood for United Kingdom tax purposes) on the Notes as at the date of this Prospectus. These comments do not deal with other UK tax aspects of acquiring, holding or disposing of (including redeeming) the 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. Prospective purchasers of the Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK should consult their professional advisors. 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 UK. This summary as it applies to UK taxation is based upon UK law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs), in each case, as 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.

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 of the United Kingdom Income Tax Act 2007 for the purposes of section 987 of the United Kingdom Income Tax Act 2007. The Market of the London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the Market of the London Stock Exchange if they are included in the Official List of the Financial Conduct Authority (within the meaning of and in accordance with the provisions of Part 6 of FSMA) and are admitted to trading on the Market of the London Stock Exchange.

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**”).

In all other cases, United Kingdom withholding tax at the basic rate (currently 20 per cent.) 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.

If interest were paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Payments in respect of the Guarantee

The United Kingdom withholding tax treatment of payments by the Guarantor 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. In particular, such payments by the Guarantor may not be eligible for the

exemption from withholding on account of United Kingdom tax in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if the Guarantor makes any such payments and they have a United Kingdom source, these may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.), 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.

Certain United States Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Notes at the “issue price” (the first price at which a substantial amount of Notes is sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering that are U.S. Holders that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws. This summary also does not address tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, U.S. Holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the

U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States, including the U.S. Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No rulings have been requested from the U.S. Internal Revenue Service (the “IRS”) and there can be no guarantee that the IRS would not challenge, possibly successfully, the treatment described below.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

U.S. Federal Income Tax Characterisation of the Notes

U.S. Treasury regulations provide that, subject to certain exceptions, a debt instrument that provides for one or more contingent payments is a “contingent payment debt instrument” (“CPDI”). In certain circumstances (see “The Terms of the Notes and the Intercreditor Agreement—Replacement of a Non-Consenting Purchaser” and “The Terms of the Notes and the Intercreditor Agreement—Voluntary Prepayment”), the Issuer may be obligated to make certain other payments on the Notes in excess of stated principal and interest. These additional payments could be viewed by the IRS as causing the Notes to be treated as CPDIs. The Issuer believes (and the rest of this discussion assumes) there is only a remote possibility that the Issuer will be obligated to make any other additional payments. Further, the stated interest rate on the Notes is subject to adjustment following the fourth anniversary of the date of Closing (see “The Terms of the Notes and the Intercreditor Agreement—Interest); however, each payment schedule that could result from such an adjustment will be known as of the date the Notes are issued and the Issuer will be deemed to exercise its right to redeem the Notes in a manner that would decrease its yield for purposes of determining original issue discount (“OID”) with respect to the Notes (discussed further below). Therefore, to the extent the Issuer is required to take a position, the Issuer intends to take the position that (i) the Notes should not be treated as CPDIs and (ii) that the Floating Rate Notes are properly characterized as Variable Rate Debt Instruments for U.S. federal income tax purposes that pay a qualified floating rate treated as “qualified stated interest”.

Payments of Interest

Interest on a Note (including any amounts withheld in respect of any taxes and, without duplication, any additional amounts paid with respect thereto), whether payable in U.S. dollars or a currency,

composite currency or basket of currencies other than U.S. dollars (a “foreign currency”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “—Original Issue Discount”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder’s method of accounting for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes and OID, if any, accrued with respect to the Notes (as described below under “—Original Issue Discount”) generally will constitute income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

The amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in Sterling in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within each taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within each taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other taxable disposition of a Note) denominated in Sterling, the accrual basis U.S. Holder may recognise U.S. source exchange gain or loss (taxable as U.S.-source ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Original Issue Discount

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with OID.

A Note, will be treated as issued with OID (a “Discount Note”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a de minimis amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years

to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest." A qualified stated interest payment generally is any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate, applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss

(taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Sale and Other Taxable Disposition of the Notes

A U.S. Holder generally will recognise gain or loss on the sale or other taxable disposition of a Note equal to the difference between the amount realised on the sale or other taxable disposition and the U.S. Holder's adjusted tax basis of the Note, in each case as determined in U.S. dollars. U.S. Holders should consult their own tax advisors about how to account for proceeds received on the sale or other taxable disposition of Notes that are not paid in U.S. dollars. A U.S. Holder's adjusted tax basis in a Note generally will be its U.S. dollar cost to the U.S. Holder. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in the U.S. Holder's income.

Gain or loss recognised by a U.S. Holder on the sale or other taxable disposition of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held by the U.S. Holder for more than one year. Long-term capital gain recognised by non-corporate U.S. Holders is generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitation. Any gain or loss realised by a U.S. Holder on the sale or other taxable disposition of a Note generally will be U.S. source.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or other taxable disposition of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realised only to the extent of total gain or loss realised on the sale or retirement.

Backup Withholding and Information Reporting

Payments of principal and interest on, and the proceeds of sale or other taxable disposition of Notes by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisors about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain foreign financial assets.

CHAPTER 8

DISTRIBUTION, TRANSFER AND SELLING RESTRICTIONS

Transfers of the Notes

Each prospective Noteholder is, among other conditions, required to (i) accede as a Secured Creditor to the Intercreditor Agreement; (ii) accede to the Note Purchase Agreement; and (iii) where the transferee wishes to be classed as a Qualifying Holder, provide an executed transferee tax letter to the Issuer, as a condition to a transfer of the Notes.

As a result, each purchaser or holder of the Notes will make certain representations and agreements intended to restrict the resale or other transfer of such Notes such that:

- (c) it and any account for which it is acting on behalf of is either (i) an institution which is an Institutional Accredited Investor or a Qualified Institutional Buyer or (ii) outside the United States and not a U.S. Person, in each case purchasing for its own account or for one or more pension or trust funds that also fall within (i) or (ii) above for investment purposes and not with a view to the distribution thereof, provided that the disposition of such Purchaser's assets, or the assets of such account, pension or trust shall at all times be within such Purchaser's or their control;
- (d) it understands that neither the Notes nor the Guarantee will be registered under the Securities Act and the Notes and the Guarantee may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Obligors are not required to register the Notes or the Guarantee under the Securities Act;
- (e) it agrees, on its own behalf and on behalf of any accounts for which it is acting as hereinafter stated, not to offer, sell or otherwise transfer Notes and the Guarantee except (i) to the Issuer or any affiliate thereof (subject to the terms of the Note Purchase Agreement); (ii) inside the United States to a person whom the seller reasonably believes is an Institutional Accredited Investor or a Qualified Institutional Buyer; or (iii) outside the United States to a non-U.S. Person in accordance with Rule 903 or Rule 904 under Regulation S. It understands that on any proposed resale of any Notes and the Guarantee, it and each subsequent holder will be required to deliver to the transferee of the Notes and the Guarantee, or any interest or participation therein, a notice substantially to the foregoing effect;
- (f) it understands that, on any proposed resale of any Notes and the Guarantee, it will be required to furnish to the Issuer such certifications and other information as the Issuer may reasonably require to confirm that the proposed sale complies with the foregoing restrictions; and
- (g) the Notes bear a legend to the following effect:

THIS SECURITY AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS AN INSTITUTION WHICH IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A(A)(1) UNDER THE SECURITIES ACT) (A "QUALIFIED INSTITUTIONAL BUYER") PURCHASING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE INSTITUTIONAL ACCREDITED

INVESTORS OR QUALIFIED INSTITUTIONAL BUYERS AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF, PROVIDED THAT THE DISPOSITION OF SUCH PURCHASER'S OR THEIR ASSETS SHALL AT ALL TIMES BE WITHIN SUCH PURCHASER'S OR THEIR CONTROL OR (2) IT IS NOT WITHIN THE UNITED STATES AND NOT A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES OTHER THAN (1) TO THE COMPANY OR ANY AFFILIATE THEREOF (SUBJECT TO THE TERMS OF THE NOTE PURCHASE AGREEMENT REFERRED TO BELOW), (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS AN INSTITUTIONAL ACCREDITED INVESTOR OR A QUALIFIED INSTITUTIONAL BUYER, OR (3) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS NOTE IS SECURED ON THE TERMS SET OUT IN THE SECURITY AGREEMENT.

Further Selling Restrictions

The Notes and the Guarantee have not been, and will not be registered under 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 except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

General

Save for obtaining the approval of the Prospectus by the London Stock Exchange plc for the Notes to be admitted to listing on the Official List and to trading on the Market, no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering material, in any jurisdiction where action for that purpose is required.

CHAPTER 9 GENERAL INFORMATION

Listing

- (i) It is expected that listing of the Notes on the Official List and admission of the Notes to trading on the Market will be granted on or about the date of this Prospectus. The total amount of the Notes to be admitted to the Official List and to trading on the regulated market of the London Stock Exchange plc is £75,000,000.
- (ii) The Issuer estimates the total expenses related to admission to trading of the Notes at £2,000.

Authorisation

- (iii) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 27 September 2022.
- (iv) The Guarantor has obtained all necessary approvals and authorisations in connection with the giving of the Guarantee. The giving of the Guarantee was authorised by a resolution of the board of directors of the Guarantor passed on 27 September 2022.

Significant or Material Change

- (v) There has been no significant change in the financial performance or financial position of the Issuer, nor any material adverse change in the prospects of the Issuer that has occurred since 31 March 2022 (the end of the last period for which audited financial information has been published).
- (vi) There has been no significant change in the financial performance or financial position of the Guarantor and its subsidiaries, nor any material adverse change in the prospects of the Guarantor that has occurred since 31 March 2022 (the end of the last period for which audited financial information has been published).

Litigation

- (vii) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is 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.
- (viii) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is 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 Guarantor and its subsidiaries.

Third Parties

- (ix) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced, and as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Documents Available

- (x) For so long as the Notes remain outstanding, copies of the following documents may (when published) be inspected physically during normal business hours at the registered office of the Issuer:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the audited financial statements of the Issuer for the year ended 31 March 2022 only, as the Issuer was incorporated on 12 May 2021 and therefore no other audited financial statements of the Issuer are available as at the date of this Prospectus;
- (c) a copy of this Prospectus;
- (d) the Intercreditor Agreement; and
- (e) the Security Agreement.

Availability of Financial Statements

- (xi) The audited annual financial statements of the Issuer and the Guarantor will be prepared as of 31 March in each year. All future audited annual financial statements of the Issuer and the Guarantor will be available free of charge in accordance with “*Documents Available*” above.

Auditors

- (xii) The Auditors of the Issuer and the Guarantor for the year ending 31 March 2022 are Deloitte LLP, of 2 New Street Square London EC4A 3BZ which is a member firm of the Institute of Chartered Accountants in England and Wales. The accounts of the Issuer and the Guarantor for the year ended 31 March 2022 have been prepared in accordance with International Standards on Auditing (UK and Ireland).

Interest of natural and legal persons involved in the issue

- (xiii) So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
- (xiv) So far as the Guarantor is aware, no person involved in the offer of the Notes has an interest material to the offer.

Conflict of Interest

- (xv) There are no potential conflicts of interest between any duties to the Issuer of its directors or company secretary and their respective private interests or duties.
- (xvi) There are no potential conflicts of interest between any duties to the Guarantor of its directors or company secretary and their respective private interests or duties.

Major Shareholders

- (xvii) The Issuer and the Guarantor are ultimately owned by the Anglian Shareholders. The Anglian Shareholders have entered into a shareholders’ agreement which complies with the Ofwat publication “*Board leadership, transparency & governance – principles*.” The directors of the Issuer and the Guarantor support high standards of corporate governance and have particular regard for the UK Corporate Governance Code issued by the Financial Reporting Council. As a companies registered in England and Wales, the Issuer and the Guarantor are also subject to the provisions of the Companies Act (as amended).

GLOSSARY OF DEFINED TERMS

This section shall be read together with the section entitled “Glossary of Defined Terms” in the AWS Base Prospectus, which is incorporated by reference herein.

The following terms are used throughout this Prospectus:

“**Anglian Shareholders**” means as at the date of this Prospectus, the consortium of the following investors Camulodunum Investments Ltd, CPP Investment Board Private Holdings (6) Inc, 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, and Infinity Investments S.A. and any successors or transferees.

“**Anglian Water Group**” means Anglian Water Group Limited and its Subsidiaries.

“**AWOF**” Anglian Water (Osprey) Financing Plc.

“**AWOF Financing Group**” means AWOF, OIL, and OAL.

“**AWS**” means Anglian Water Services Limited, a company incorporated in England and Wales with registered number 02366656.

“**AWS Financing Group**” means AWS, AWSF, AWS Holdings and AWS UK Parent Co and any other Permitted Subsidiaries.

“**AWS Programme Issuer**” means AWSF.

“**AWS UK Parent Co**” means Anglian Water Services UK Parent Co Limited, a company incorporated in England with limited liability with registered number 11294507.

“**AWSF**” means Anglian Water Services Financing Plc, a company incorporated in England and Wales with registered number 04330322.

“**AWSH Holdings**” means Anglian Water Services Holdings Limited, a company incorporated in England with limited liability with registered number 04330144.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

“**Certificates**” means the certificates representing the Notes.

“**Enforcement Action**” means the steps that a Secured Creditor is entitled to take to enforce its rights against an Obligor provided by the terms of the Intercreditor Agreement.

“**EU PRIIPS Regulation**” means Regulation (EU) No 1286/2014 of the European Union.

“**EUWA**” means the European Union (Withdrawal) Act 2018.

“**Issue Date**” means 19 October 2022.

“**Issue Price**” means the price as stated in the Note Purchase Agreement, generally expressed as a percentage of the nominal amount of the Notes, at which the Notes will be issued.

“**Issuer**” means Aigrette Financing (Issuer) plc, a company incorporated in England and Wales with limited liability (registered number 13390485).

“**Licence**” means the instrument of appointment granted by the Secretary of State for Environment for AWS as a water and sewerage undertaking under Sections 11 and 14 of the Water Act 1989 (now Sections 6, 7, 11 and 12 of the WIA), as modified or amended from time to time.

“**Maturity Date**” is defined in the first paragraph of each Note and set out in “*Part B – Pricing and Additional Terms*” of this Prospectus.

“**Note Purchase Agreement**” means note purchase agreement, dated 3 October 2022, and made between the Purchaser(s) and the Issuer.

“**Noteholders**” means the persons whose name is registered in the register maintained by the Issuer in respect of a Note as the holder of such Note.

“**Notes**” means the £35,000,000 fixed rate senior secured notes due October 2030 and £40,000,000 floating rate senior secured notes due October 2030.

“**OAL**” means Osprey Acquisitions Limited.

“**OIL**” means Osprey Investco Limited.

“**Prospectus**” means this prospectus prepared in connection with the listing of the Notes.

“**Programme**” means the €10,000,000,000 guaranteed secured medium term note programme established by the AWS Programme Issuer and listed on the regulated market of the London Stock Exchange plc.

“**Purchaser(s)**” means the initial purchaser(s) of the Notes, whose name is listed as such in the Note Purchase Agreement.

“**Regulated Business**” means the business of a "relevant undertaker" (as that term is defined in the WIA) in the United Kingdom carried out by the Group.

“**Required Holders**” means in relation to the Notes, at any time:

- (a) prior to or on the Closing, all of the Purchasers;
- (b) (subject to paragraph (c) below) at any time on or after the Closing, the holders of more than 66²/₃% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by any Obligor or any of its Affiliates); and
- (c) (in relation to any matter affecting only a particular Series of Notes, such as a matter affecting only the Floating Rate Notes or the Fixed Rate Notes) at any time after the Closing, the holders of more than 66²/₃% in principal amount of such Series of Notes at the time outstanding (exclusive of Notes then owned by any Obligor or any of its Affiliates).

“**Register**” means a register of the Noteholders of a kept at the registered office of the Issuer which records the registration and registration of transfers of Notes.

“**Section**” means a section of the Note Purchase Agreement.

“**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 the security agreement dated 16 June 2021 between the Chargors and the Security Trustee.

“**Security Trustee**” means Deutsche Trustee Company Limited or any other security trustee appointed pursuant to the Intercreditor Agreement.

“**Series**” means Notes which have (i) the same final maturity, (ii) the same principal prepayment dates (subject to different principal prepayment dates applying to the Notes from time to time as a result of any prepayment,

(iii) the same principal prepayment amounts (as a percentage of the original principal amount of each Note) (subject to different principal prepayment amounts applying to the Notes from time to time as a result of any prepayment, (iv) the same interest rate, (v) the same interest payment periods, (vi) the same currency specification and (vii) the same date of issuance (which, in the case of a Note issued in exchange for another Note, shall be deemed for these purposes to be the date on which such Note's ultimate predecessor Note was issued).

“**UK MiFIR**” means Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

“**UK PRIIPS Regulation**” means the EU PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA.

REGISTERED OFFICE OF THE ISSUER

Lancaster House Lancaster Way
Ermine Business Park, Huntingdon, Cambridgeshire
United Kingdom, PE29 6XU

REGISTERED OFFICE OF THE GUARANTOR

Lancaster House Lancaster Way
Ermine Business Park, Huntingdon, Cambridgeshire
United Kingdom, PE29 6XU

SECURITY TRUSTEE

Deutsche Trustee Company Limited

Winchester House
1 Great Winchester Street
London EC2N 2DB

LEGAL ADVISERS

To the Issuer as to English Law:

Linklaters LLP

One Silk Street
London EC2Y 8HQ

AUDITORS

To the Issuer:

Deloitte LLP

2 New Street Square
London, EC4A 3BZ