

To: Thames Water Super Senior Issuer Plc
Clearwater Court
Vastern Street, Reading, Berkshire
United Kingdom, RG1 8DB
(the "**Super Senior Issuer**")

Attention: Directors

Kroll Trustee Services Limited
The News Building
Level 6, 3 London Bridge Street
London
United Kingdom
SE1 9SG
(the "**Super Senior Security Trustee**")

From: Thames Water Utilities Limited (the "**Company**")

Date: 17 March 2025

Re: IBLA Basic Consent Request

This is a Basic Consent Request in respect of the Super Senior IBLA (the "**IBLA Basic Consent Request**").

Capitalised terms used but not defined in this IBLA Basic Consent Request have the meanings ascribed to them in (a) the super senior issuer intercreditor agreement dated 25 February 2025 made between, *inter alios*, the Parent, the Company and the Super Senior Security Trustee (each as defined therein) (the "**Super Senior Issuer Intercreditor Agreement**") or (b) the master definitions agreement originally dated 30 August 2007 (as amended and restated from time to time, including most recently on 25 February 2025) (the "**MDA**").

For the purposes of this IBLA Basic Consent Request and all documents related to this IBLA Basic Consent Request, it is acknowledged and agreed that all approvals, certifications, notifications and other communications (in whatever form) made to the Company by the Super Senior Issuer, are made by the Super Senior Issuer acting with the consent of the Super Senior Security Trustee, who is in turn acting on the instructions of the Super Majority SSIS Creditors. All references to the Super Senior Issuer agreeing, consenting, certifying or waiving any matters whatsoever are acknowledged and agreed to be references to be to the Super Senior Issuer doing so acting with the consent of the Super Senior Security Trustee, with the Super Majority SSIS Creditors instructing the Super Senior Security Trustee to do so.

1 Background

We refer to the super senior class A issuer borrower loan agreement dated 25 February 2025 made between the Company (as Borrower), the Super Senior Issuer (as Super Senior Issuer) and the Super Senior Security Trustee (the "**Super Senior IBLA**").

Pursuant to Clause 4.1.11 (*Initial Conditions Precedent*) of the Super Senior IBLA, it is a condition precedent to the utilisation of the Loans (as defined therein) that, among other

things, any applicable Appeal Period in relation to the 2025 Restructuring Plan has expired (and no appeal is subsisting at that time and no appeal has been successful in challenging the 2025 Restructuring Plan) (the "**Appeal Period CP**").

Please find below a request to the Super Senior Issuer and the Super Senior Security Trustee to grant a waiver (the "**Waiver**") in respect of the Appeal Period CP under the Super Senior IBLA and provide their consent with respect to related amendments to the Super Senior IBLA in connection therewith (the "**Amendments**").

2 Reasons for the Waiver Request

2.1 Liquidity Extension Transaction

2.1.1 Following a judgment of the High Court of Justice of England and Wales (the "**High Court**") handed down on 18 February 2025, the 2025 Restructuring Plan was sanctioned pursuant to an order of the High Court dated 21 February 2025 (the "**Sanction Order**") subject to the Ultimate Parent providing an undertaking to the High Court that prior to an appeal to the Court of Appeal in respect of the Sanction Order being determined in the Ultimate Parent's favour, (i) the Ultimate Parent will not date and release the CF Finance Documents (as defined in the 2025 Restructuring Plan), and will extend the time permitted to date and release those documents under the 2025 Restructuring Plan; and (ii) the Ultimate Parent will not satisfy or procure or commission a waiver to all of the Super Senior Issuer Funding Conditions Precedent (as defined in the 2025 Restructuring Plan). The Sanction Order was subsequently sealed by the High Court on 21 February 2025 and lodged with the registrar of companies for England and Wales on the same date.

2.1.2 An ad hoc group of Class B Debt creditors, Thames Water Limited and Charlie Maynard MP were each granted permission to appeal the Sanction Order on certain grounds and have since filed and served notices of appeal (the "**Appeal**").

2.1.3 On 17 March 2025 the Court of Appeal dismissed the Appeal and upheld the Sanction Order.

2.2 Rationale for the Requested Waiver

2.2.1 In order that the Super Senior Issuer Funding is provided to the TWU Financing Group prior to the expiry of its liquidity runway, the Company hereby requests a temporary waiver of the Appeal Period CP from each of the Super Senior Issuer and the Super Senior Security Trustee.

2.2.2 As at the date of this IBLA Basic Consent Request, the Appeal Period shall expire on:

- (a) the date on which any period prescribed by the applicable rules (or such other period directed by the Court) for the making of an application for permission to appeal the Court of Appeal Decision to the Supreme Court ends without permission to appeal having been sought; or
- (b) where permission to appeal to the Supreme Court in respect of the Court of Appeal Decision has been sought, either:
 - (i) the date on which the Supreme Court refuses permission; or

- (II) where permission to appeal to the Supreme Court in respect of the Court of Appeal Decision has been granted, the later of (A) the latest date for the filing of the appeal, where no such appeal is filed; or (B) where the appeal has been filed, the date on which the appeal in respect of the Court of Appeal Decision is finally determined by the Supreme Court,

provided that, notwithstanding the above, where the appellant (or all appellants if there is more than one appellant) withdraws their application(s) for permission to appeal, or the appeal(s), the Appeal Period will end of the effective date of the last such withdrawal.

- 2.2.3 The TWU Financing Group's liquidity runway is not anticipated to extend until the expiry of the Appeal Period.
- 2.2.4 In connection with the Waiver, the Company also hereby requests that the Super Senior Issuer and the Super Senior Security Trustee consent to the Amendments, which the Company views as necessary in order to facilitate the availability of the Super Senior Issuer Funding during the Appeal Period.
- 2.2.5 For the reasons noted above, the Company believes that the Waiver and the Amendments are critical to ensure that the 2025 Restructuring Plan is implemented in a timely manner such that the TWU Financing Group can continue operations.

3 Requested Waiver

- 3.1 This paragraph 3 sets out in full the requested Waiver.
- 3.2 As explained in paragraph 2.2 above, the Company requests, subject to the remaining provisions of this paragraph 3 below and on the condition that the Amendments are implemented simultaneously with the effectiveness of the Waiver, a waiver of the Appeal Period CP.
- 3.3 For the avoidance of doubt the Waiver and the Amendments requested in this IBLA Basic Consent Request are conditional on (i) one another, such that if the Waiver is not granted, the Amendments shall not be effected and (ii) the approval of the Super Senior Consent Request to the Super Senior Security Trustee dated on or about the date hereof.
- 3.4 If approved, the Waiver shall have effect on and from the later of (i) the date on which the Waiver and Amendment Letter (the form of which is attached at Appendix 1 hereto) is executed and (ii) the date of the Court of Appeal Decision, provided that the Court of Appeal does not overturn the Sanction Order (the "**Effective Time**"), to but excluding the Waiver Long-Stop Date (the "**Waiver Period**"), where:
- "Waiver Long-Stop Date"** means 30 April 2025, or such later date as may be agreed between the Company and the Super Majority SSIS Creditors in accordance with the Super Senior Issuer Intercreditor Agreement.
- 3.5 A certificate from the Company (signed by two directors of the Company without personal liability) delivered to the Super Senior Issuer and the Super Senior Security Trustee (on behalf of the Super Senior Issuer Secured Creditors) that the Effective Time has occurred shall, in the absence of manifest error, be conclusive evidence as to the matters contained therein (an "**Effective Time Certificate**"). The Company shall deliver the Effective Time

Certificate to the Super Senior Issuer and the Super Senior Security Trustee promptly upon the Effective Time occurring.

- 3.6** For the avoidance of doubt, if the Waiver Long-Stop Date occurs and the Waiver Period ends, the Appeal Period CP shall cease to be waived for all purposes under the Super Senior IBLA (including, without limitation, in respect of any further utilisation of the Loans (as defined therein)).
- 3.7** The Company acknowledges and agrees that the Super Senior Issuer and the Super Senior Security Trustee may rely upon the statements, certifications, confirmations, consents and acknowledgements by the Company contained in any Effective Time Certificate and the Super Senior Issuer and that the Super Senior Security Trustee shall not be required to make any investigation in respect thereof.
- 3.8** Pursuant to Clause 4.4 (*Basic Consents: General*) of the Super Senior Issuer Intercreditor Agreement, the Super Senior Issuer is not permitted to agree to any Basic Consent Request (including, but not limited to, this IBLA Basic Consent Request) in respect of the Super Senior IBLA without obtaining the prior written consent of the Super Senior Security Trustee, acting on the instructions of the requisite proportion of Super Senior Issuer Secured Creditors (in this case, the Super Majority SSIS Creditors) as specified in Clause 4.7 (*Basic Consent Requests*) of the Super Senior Issuer Intercreditor Agreement.

4 Amendments

- 4.1** As a condition to the implementation of the Waiver, the Company, the Super Senior Issuer and the Super Senior Security Trustee agree that, with effect from (and including) the Effective Time to (but excluding) the date on which the Appeal Period CP is satisfied (the "**AP Funding Period**"), the Super Senior IBLA shall be amended as follows:

- 4.1.1** the definition of "Funding Amount" shall be deleted in its entirety and replaced with "*in respect of any Scheduled Funding Date, an amount in sterling equal to the amount of Super Senior Issuer Funding issued by the Super Senior Issuer on the previous Business Day*";
- 4.1.2** the definition of Scheduled Funding Date shall be deleted in its entirety and replaced with "*the Business Day immediately following each date on which the Super Senior Issuer issues Super Senior Issuer Funding*";
- 4.1.3** the reference to "five (5) Business Days" in paragraph (a) of limb (i) of the definition of "Funding Conditions" shall be deemed to be "*one (1) Business Day*"; and
- 4.1.4** all references to the "Second Funding Date" shall be deleted,

it being acknowledged that:

- (a) any Loan (as defined in the Super Senior IBLA) advanced during the AP Funding Period shall not constitute the "Initial Loan" under, and for the purposes of, the Super Senior IBLA and that (notwithstanding anything to the contrary herein) the "Initial Loan" shall be the first Loan borrowed on the first Scheduled Funding Date which occurs after the end of the AP Funding Period;
- (b) the Super Senior Issuer and Relevant Creditor Advisors shall, prior to the end of the AP Funding Period, together agree such amendments to the

amounts set forth in Schedule 6 (*Agreed Scheduled Funding Amounts*) as necessary to reflect each Loan advanced during the AP Funding Period;

- (c) any original issue discount, funding premium and/or backstop fee that is netted from the amount of Super Senior Issuer Funding incurred by the Super Senior Issuer immediately prior to a Scheduled Funding Date during the AP Funding Period shall be netted (on a £-for-£ basis) from the equivalent Loan borrowed under the Super Senior IBLA;
- (d) the Initial Funding Premium (as defined in the Super Senior IBLA) payable under Clause 6.6 (*Initial Funding Premium*) of the Super Senior IBLA in respect of the Initial Loan shall be reduced on a £-for-£ basis in respect of any equivalent original issue discount or funding premium (other than backstop fees) netted from Loans borrowed during the AP Funding Period pursuant to sub-paragraph (c) above;
- (e) during the AP Funding Period, notwithstanding anything to the contrary in the Super Senior IBLA (including the establishment of the Initial Commitments (as defined in the Super Senior IBLA) thereunder):
 - (i) the Company shall only be entitled to borrow (and shall only submit a Release Amount Request Notice (as defined in the Super Senior IBLA) in respect of) the amount of Super Senior Issuer Funding actually incurred by the Super Senior Issuer (taking into account any original issue discount, funding premium and/or backstop fee pursuant to sub-paragraph (c) above); and
 - (ii) the Company shall not be entitled to borrow (nor shall it submit a Release Amount Request Notice in respect of) any Interim Funding Amount (each as defined in the Super Senior IBLA); and
- (f) for the avoidance of doubt, immediately following the end of the AP Funding Period, the amendments specified at paragraph 4.1 above shall no longer have any effect and the Super Senior IBLA shall be read and construed in accordance with its terms in effect as at the date of this IBLA Basic Consent Request.

5 Implementation of the IBLA Basic Consent Request

The Super Senior Issuer and the Super Senior Security Trustee shall each notify the Company of the decision in respect of this IBLA Basic Consent Request promptly following the ICA Consent Request Voting Date (as defined in the Basic Consent Request launched separately on or about the date hereof) and, provided that the Super Senior Issuer and the Super Senior Security Trustee consent to this IBLA Basic Consent Request, this IBLA Basic Consent Request will be effective pursuant to and in accordance with the Waiver and Amendment Letter on and from the later of (i) the date of such notice; and (ii) the Effective Time, and such IBLA Basic Consent Request will bind the Super Senior Security Trustee, the Super Senior Issuer and the Company, pursuant to Clause 13.4 of the Super Senior IBLA.

THE COMPANY

THAMES WATER UTILITIES LIMITED

Signed by:
Chris Weston

.....BEBB027E3E844DF.....

By: Chris Weston

Signed by:


.....7320CA24FA3F460.....

By:

Julian Gething

Appendix 1
Form of Waiver and Amendment Letter

WAIVER AND AMENDMENT LETTER

From: Kroll Trustee Services Limited
The News Building, Level 6, 3 London Bridge Street
London
United Kingdom, SE1 9SG
(the “**Super Senior Security Trustee**”)
Thames Water Super Senior Issuer PLC
Clearwater Court
Vastern Street, Reading, Berkshire
United Kingdom, RG1 8DB
(the “**Company**”)

To: Thames Water Utilities Limited
Clearwater Court
Vastern Road, Reading, Berkshire
United Kingdom, RG1 8DB
(the “**Parent**”)

[●] March 2025

Dear Sir or Madam

- 1 We refer to:
 - 1.1 the Basic Consent Request delivered to the Company and the Super Senior Security Trustee by the Parent dated [●] March 2025 (the “**IBLA Basic Consent Request**”) pursuant to Clause 4.1.11 (*Initial Conditions Precedent*) of the Super Senior IBLA and Clause 4.7 (*Basic Consent Requests*) of the Super Senior Issuer Intercreditor Agreement;
 - 1.2 the additional Basic Consent Request delivered by the Company to the Super Senior Security Trustee relating to the above IBLA Basic Consent Request dated [●] March 2025 (the “**ICA Basic Consent Request**” and, together with the IBLA Basic Consent Request, each a “**Basic Consent Request**” and together the “**Basic Consent Requests**”); and
 - 1.3 the notice of the decision of the Super Majority SSIS Creditors in respect of the Basic Consent Requests dated on or around the date hereof (the “**Notice of Approval**”).
- 2 Terms defined in the Basic Consent Requests have the same meaning when used in this letter unless otherwise expressly defined herein.
- 3 As set out in the Notice of Approval, the Super Senior Security Trustee has received sufficient votes in favour of Basic Consent Requests from Super Majority SSIS Creditors.
- 4 Pursuant to Clause 4.4(a) (*Basic Consent Requests: General*) of the Super Senior Intercreditor Agreement, the Super Senior Issuer Trustee (acting on the instructions of the Super Majority SSIS Creditors) and the Company (acting with the consent of the Super Senior Issuer Trustee) are duly authorised to, and shall promptly implement the IBLA Basic Consent Request following the ICA Consent Request Voting Date where the Super Majority SSIS Creditors have voted in favour of the Basic Consent Requests.

- 5** The consent in paragraph 4 above is binding on all parties to the Super Senior IBLA and the Super Senior Intercreditor Agreement.
- 6** For the purposes of Clause 4.4(a) (*Basic Consent Requests: General*) of the Super Senior Intercreditor Agreement, and in order to implement the IBLA Basic Consent Request, the Super Senior Security Trustee (acting on the instructions of the Super Majority SSIS Creditors), and the Super Senior Issuer (acting with the consent of the Super Senior Security Trustee) consent to the Waiver and Amendments as set out in, and subject to the conditions in, the IBLA Basic Consent Request.
- 7** Any consent, amendment or waiver (including the Waiver and the Amendments) referred to in this Waiver and Amendment Letter which is approved by the Super Senior Security Trustee (acting on the instructions of the Super Majority SSIS Creditors) is given strictly on the terms of this Waiver and Amendment Letter and without prejudice to the other rights of the Super Senior Issuer, the Super Senior Security Trustee and the Underlying Super Senior Finance Parties. Nothing in this Waiver and Amendment Letter will be deemed to constitute a further consent or waiver under the Super Senior IBLA. Except as otherwise provided for in this Waiver and Amendment Letter, the Super Senior IBLA remains in full force and effect.
- 8** This letter and all non-contractual or other obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law. Clause 27.1 (*Jurisdiction*) of the Super Senior Intercreditor Agreement applies to this letter and is binding on the Super Senior Security Trustee and the Company as if set out in full in this letter.

Yours faithfully

SUPER SENIOR SECURITY TRUSTEE

Kroll Trustee Services Limited

By: _____

By: _____

SUPER SENIOR ISSUER

THAMES WATER SUPER SENIOR ISSUER PLC

.....
By:

.....
By:

We acknowledge receipt of the Waiver and Amendment Letter.

THE PARENT

THAMES WATER UTILITIES LIMITED

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By:

.....
By:

THE ULTIMATE PARENT

THAMES WATER UTILITIES HOLDINGS LIMITED

.....
By:

.....
By: