

To: Deutsche Trustee Company Limited
21 Moorfields, London
United Kingdom, EC2Y 9DB
(the "**Security Trustee**")

Attention: The Managing Director

From: Thames Water Utilities Limited (the "**Proposer**" and "**TWUL**")

Date: 2 March 2026

Re: STID Proposal in respect of the CMA Reference Decision Waiver

In accordance with Clause 9.1 (*Instigation of STID Proposal*) of the security trust and intercreditor deed dated 30 August 2007 between, among others, the Proposer and the Security Trustee (as amended and restated on 16 September 2013, 1 July 2014, 31 August 2018 and 25 February 2025) (the "**STID**"), please find below a request to the Security Trustee to concur with a waiver under the Finance Documents as detailed in paragraph 2 (*Requested Waiver; Detail of the STID Proposal*) below, in accordance with and subject to the votes of the Majority Creditors under Clause 8.2.2 (*Procedure for Modifications, Consents and Waivers*) of the STID (the "**STID Proposal**").

Capitalised terms used but not defined in this STID Proposal have the meanings ascribed to them in the STID or the master definitions agreement (the "**MDA**") dated 30 August 2007 (as amended and restated on 25 July 2008, 9 December 2011, 16 September 2013, 1 July 2014, 15 May 2015, 31 August 2018, 26 April 2019, 26 June 2020 and 25 February 2025).

The Obligors hereby confirm their acknowledgement and acceptance of the proposal set out in the STID Proposal.

1 Reasons for the STID Proposal

1.1 Recapitalisation Transaction

- 1.1.1 Following a judgment of the High Court of Justice of England and Wales handed down on 18 February 2025, the restructuring plan under Part 26A of the Companies Act 2006 proposed by TWH was sanctioned pursuant to an order of the High Court dated 21 February 2025 ("**RP1**"). On 17 March 2025, the sanction order was upheld by the Court of Appeal subject to a limited modification. On 30 July 2025, the Supreme Court refused Charlie Maynard MP permission to appeal the Court of Appeal decision (such request for permission having first been refused by the Court of Appeal).
- 1.1.2 RP1 was designed to provide a sufficient liquidity runway to enable the TWU Financing Group to agree and implement a Recapitalisation Transaction with its stakeholders in accordance with the terms of a Supported LUA. RP1 achieved this by (amongst other things): (i) extending the maturities of all Class A Debt and Class B Debt by 2 years; (ii) permitting the incurrence of a new super senior credit facility by Thames Water Super Senior Issuer plc (to be on-lent to TWUL via the Super Senior IBLA) with an initial committed tranche of £1.5 billion, subject to conditions, and a further £1.5 billion comprising two uncommitted tranches of £750 million each; and (iii) temporarily suspending a number of the financial and other covenants in the Finance Documents.

- 1.1.3 As previously announced, the Proposer has been engaging with its stakeholders in relation to a Recapitalisation Transaction.

1.2 CMA Reference Decision Condition

- 1.2.1 The Proposer notes that, pursuant to paragraph 11(a) (*Financial Indebtedness*) of Part 3 (*General Covenants*) of Schedule 4 (*Covenants*) to the CTA read with limb (p)(iv)(A) of the definition of "Permitted Financial Indebtedness" under the MDA, TWUL is permitted to incur Additional Super Senior IBLA Funding subject to satisfaction of certain specified conditions including that the CMA Reference Decision has been made (the "**CMA Reference Decision Condition**").
- 1.2.2 The CMA Reference Decision Condition requires that a decision by TWUL has been made to dispute any determination in relation to the AMP 8 regulatory period made by Ofwat under Part III of Condition B of the Instrument of Appointment and require that Ofwat refer the disputed determination to the Competition and Markets Authority for determination, as specified by Part V of Condition B of the Instrument of Appointment and section 12(3)(a) of the WIA (a "**CMA Appeal**"), provided that such decision (i) has also been approved by a majority of the TWUL Directors and each of the Reference Decision Nominated Directors, or (ii) to the extent the conditions in (i) are not satisfied, is approved by the Super Senior Security Trustee. On 14 February 2025, TWUL announced that it had asked Ofwat to refer its final determination to a CMA Appeal. On each of 18 March 2025 and 18 July 2025, TWUL announced that it and Ofwat had agreed that Ofwat would defer making such a reference for limited periods. On 21 October 2025, TWUL announced that it and Ofwat had agreed to a further deferral in light of continuing discussions between the London & Valley Water Consortium, Ofwat, and other regulators in relation to a potential market-led solution to the recapitalisation of TWUL. No deadline was set for the end of the deferral period, which is continuing.
- 1.2.3 In light of the deferral of the CMA Appeal as mentioned in paragraph 1.2.2 above, the condition in limb (p)(iv)(A) of the definition of "Permitted Financial Indebtedness" under the MDA in relation to the CMA Reference Decision has not been satisfied.
- 1.2.4 Accordingly, and in order to ensure that TWUL has continued access to, and confidence in the availability of, funding pursuant to the Super Senior IBLA, the Proposer is seeking a waiver in respect of the CMA Reference Decision Condition under limb (p)(iv)(A) of the definition of "Permitted Financial Indebtedness" under the MDA in so far as it applies to the first tranche of Additional Super Senior IBLA Funding to be made available to TWUL by the Super Senior Issuer under the Super Senior IBLA only.

2 Requested Waiver; Detail of the STID Proposal

- 2.1 This paragraph 2 sets out in full the requested waiver under the MDA and the CTA.
- 2.2 As explained in paragraph 1 (*Reasons for the STID Proposal*), above, the Proposer requests the Majority Creditors to consent to a waiver of the CMA Reference Decision Condition under limb (p)(iv)(A) of the definition of "Permitted Financial Indebtedness" of the MDA such that the definition of "Permitted Financial Indebtedness" is read not to include the CMA Reference Decision Condition in respect of incurrence of the first tranche of Additional Super Senior IBLA Funding to be made available to TWUL by the Super Senior Issuer under the Super Senior IBLA only (the "**CMA Reference Decision**

Waiver") For the avoidance of doubt, the CMA Reference Decision Waiver shall not extend to any subsequent tranche of Additional Super Senior IBLA Funding (if any) that is made available to TWUL.

- 2.3** If approved pursuant to the STID Proposal, the CMA Reference Decision Waiver shall apply on and from the date on which the Waiver Letter (as defined below) is executed.

3 Certification by the Proposer

- 3.1** Pursuant to and in accordance with Clause 9.2 (*Minimum Content of STID Proposal*) of the STID, the Proposer hereby certifies to the Security Trustee that in its opinion, in relation to the STID Proposal:

- (i) only (i) the consent of the Majority Creditors under Clause 9.2.1 (*Minimum Content of STID Proposal*) of the STID (such consent must be received by 16 March 2026 (the "**STID Voting Date**")) and (ii) the consent of each Super Senior Debt Provider (as sought under a parallel super senior consent request in accordance with the Super Senior Issuer Intercreditor Agreement (the "**Consent Request**")), is required to implement the STID Proposal in accordance with the terms of the Waiver Letter; and
- (ii) no Entrenched Right or Reserved Matter applies in respect of the STID Proposal contained herein in the manner prescribed above and, as such, the consent of no other Secured Creditor (or where applicable, their Secured Creditor Representative(s)) is required pursuant to the Entrenched Rights and Reserved Matters in the STID.

- 3.2** The Proposer also certifies that the STID Proposal will not impose any additional obligations or liabilities on the Security Trustee.

- 3.3** The Proposer notes that pursuant to Clause 9.5.1 (*Effective Time of Majority Creditor Decisions on STID Proposal*) of the STID, the Security Trustee is duly authorised and must promptly implement the STID Proposal following the earlier of:

- 3.3.1** the date on which the Security Trustee has received votes in favour of the STID Proposal from DIG Representatives representing more than 50 per cent. of the Outstanding Principal Amount of the Qualifying Class A Debt; and
- 3.3.2** the STID Voting Date if the Majority Creditors have voted in favour of the STID Proposal,

and, in either case, upon receipt of a notice of approval confirming, among other things, that the Consent Request has been approved, by entering into a waiver letter with the Obligors in the form appended to this STID Proposal (the "**Waiver Letter**").

4 Implementation of the STID Proposal

- 4.1** Subject to Clause 9.5 (*Effective Time of Majority Creditor Decisions on STID Proposal*) of the STID, the Security Trustee shall notify each Secured Creditor (or, where applicable, its Secured Creditor Representative) and each Secondary Market Guarantor of the decision of the Majority Creditors on the STID Proposal promptly following the STID Voting Date (or such earlier date in accordance with the STID) and, provided that the Majority Creditors approve the STID Proposal and the Consent Request is approved, the CMA Reference Decision Waiver as set out in paragraph 2 (*Requested Waiver; Detail of*

the STID Proposal) shall apply under the MDA and the CTA once the Waiver Letter is executed and pursuant to Clause 9.7 (*Binding Decisions of Majority Creditors*) of the STID, such CMA Reference Decision Waiver will bind the Secured Creditors and the Secondary Market Guarantors.

- 4.2** The STID Proposal constitutes a certificate for the purposes of Clause 8.18 (*Certificates Conclusive*) and Clause 15.4.3 (*Protections*) of the STID.
- 4.3** Contemporaneously with the implementation of the STID Proposal, the Proposer agrees to deliver a certificate to the Security Trustee certifying that: (a) all information provided to Secured Creditors in connection with the STID Proposal is true, accurate and not misleading in any material respect; and (b) the Finance Documents shall remain in full force and effect (subject to the terms of the Waiver Letter executed in accordance with this STID Proposal).

Yours faithfully

THE PROPOSER

THAMES WATER UTILITIES LIMITED

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Julian Gelling

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By:

Signed by:

Chris Weston

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By:

OBLIGORS

THAMES WATER UTILITIES FINANCE PLC

DocuSigned by:

Julian Gelling

586DA6DEC2B1428.....

By:

Signed by:

Chris Weston

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By:

THAMES WATER UTILITIES HOLDINGS LIMITED

DocuSigned by:

Julian Gelling

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By:

Signed by:

Chris Weston

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By:

Appendix 1
Form of Waiver Letter

[see next page]

WAIVER LETTER

Deutsche Trustee Company Limited
21 Moorfields
London EC2Y 9DB

[•] 2026

To: Thames Water Utilities Limited (the “**Proposer**”)

Dear Sir or Madam

- 1** We refer to (i) the STID Proposal dated 2 March 2026 (the “**STID Proposal**”) delivered pursuant to Clause 9.1 (*Instigation of STID Proposal*) of the Security Trust and Intercreditor Deed dated 30 August 2007 (as amended and restated from time to time) and entered into between, among others, the Proposer and Deutsche Trustee Company Limited (the “**Security Trustee**”) (the “**STID**”) and (ii) the notice of the decision of the Majority Creditors in respect of the STID Proposal dated on or around the date hereof (the “**Notice of Approval**”).
- 2** Terms defined in the STID Proposal have the same meaning when used in this letter unless otherwise expressly defined herein.
- 3** As set out in the Notice of Approval, the Security Trustee has received sufficient votes from the Majority Creditors in favour of the CMA Reference Decision Wavier (the “**Approved STID Proposal**”).
- 4** Further, the Security Trustee has been notified on or before the date of this letter that the Consent Request in respect of each Super Senior Debt Provider has been approved.
- 5** Pursuant to Clause 9.5.1 (*Effective Time of Majority Creditor Decisions on STID Proposal*) of the STID, the Security Trustee is duly authorised and must promptly implement the Approved STID Proposal following the earlier of:
 - 5.1** the date on which the Security Trustee has received votes in favour of the Approved STID Proposal from DIG Representatives representing more than 50 per cent. of the aggregate Outstanding Principal Amount of the Qualifying Class A Debt; and
 - 5.2** the STID Voting Date if the Majority Creditors have voted in favour of the Approved STID Proposal.
- 6** The consents in paragraph 3 above is binding in accordance with Clause 9.7 (*Binding Decisions of Majority Creditors*) and Clause 9.8 (*Binding Vote of DIG Representatives*).
- 7** For the purposes of Clause 9.5 (*Effective Time of Majority Creditor Decisions on STID Proposal*) of the STID, and in order to implement the Approved STID Proposal, the Security Trustee with effect on the date hereof consents to the CMA Reference Decision Wavier as set out in the STID Proposal.
- 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 21.1 (*Jurisdiction*) of the Common Terms Agreement applies to this letter and is binding on the Security Trustee and the Proposer as if set out in full in this letter.

Yours faithfully

Deutsche Trustee Company Limited (as Security Trustee)

By: _____

By: _____

We acknowledge receipt of the Waiver Letter.
THE PROPOSER

THAMES WATER UTILITIES LIMITED

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By:

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By:

OBLIGORS

THAMES WATER UTILITIES FINANCE PLC

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By:

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By:

THAMES WATER UTILITIES HOLDINGS LIMITED

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