

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**")

Attention: Paul Britton (Reference: Crabtree)

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

Date: 30 June 2025

Re: Third IBLA Basic Consent Request

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

Capitalised terms used but not defined in this Third IBLA Basic Consent Request have the meanings ascribed to them in (a) the super senior issuer intercreditor agreement originally dated 25 February 2025 and as most recently amended and restated on 15 May 2025 and 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 and as most recently amended and restated on 25 February 2025 (the "**MDA**").

On 17 March 2025, the Company delivered to the Super Senior Issuer and the Super Senior Security Trustee a Basic Consent Request in respect of the Super Senior IBLA (the "**First IBLA Basic Consent Request**") pursuant to which, amongst other things, the Company requested a waiver of the Appeal Period CP (as defined below) as it applied to the Super Senior IBLA. On 1 April 2025, pursuant to a notice of the decision of the Super Majority SSIS Creditors dated 1 April 2025 in respect of, *inter alia*, the First IBLA Basic Consent Request, the Super Senior Security Trustee and the Super Senior Issuer delivered to the Company a waiver and amendment letter, confirming their joint consent to the waiver and amendments set out in, and subject to the conditions in, the First IBLA Basic Consent Request (the "**First Super Senior IBLA W&A Letter**" and the "**First IBLA Waiver**" respectively).

On 28 April 2025, the Company delivered to the Super Senior Issuer and the Super Senior Security Trustee a Basic Consent Request in respect of the Super Senior IBLA (the "**Second IBLA Basic Consent Request**") pursuant to which, amongst other things, the Company requested a further waiver of the Appeal Period CP (as defined below) as it applied to the Super Senior IBLA. On 15 May 2025, pursuant to a notice of the decision of the Super Majority SSIS Creditors dated 15 May 2025 in respect of, *inter alia*, the Second IBLA Basic Consent Request, the Super Senior Security Trustee and the Super Senior Issuer delivered to the Company a further waiver and amendment

letter, confirming their joint consent to the waiver and amendments set out in, and subject to the conditions in, the Second IBLA Basic Consent Request (the "**Second Super Senior IBLA W&A Letter**" and the "**Second IBLA Waiver**" respectively).

For the purposes of this Third IBLA Basic Consent Request and all documents related to this Third 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 each of the (i) Super Majority SSIS Funding Creditors; and (ii) 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 the Super Senior Issuer doing so acting with the consent of the Super Senior Security Trustee, with each of the (i) Super Majority SSIS Funding Creditors; and (ii) 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 (as amended and/or amended and restated from time to time, including as amended on 15 May 2025 pursuant to the Second Super Senior IBLA W&A Letter) made between the Company (as Borrower), the Super Senior Issuer (as Super Senior Issuer) and the Super Senior Security Trustee (the "**Super Senior IBLA**").

### **1.1 Trigger Event CP**

1.1.1 Pursuant to Clause 4.2.1 (*Further Conditions Precedent*) and paragraph (v) of the definition of "*Funding Conditions*" in Clause 1.1 (*Definitions*) of the Super Senior IBLA, it is a condition precedent to the utilisation of the Loans (as defined therein) that notwithstanding the amendments to the Trigger Events during the Stable Platform Period, no Trigger Event (including the issuance of an Enforcement Order pursuant to the WIA against the Company which would have a Material Adverse Effect if not complied with) has occurred since the Plan Effective Date (as defined therein) (other than the Trigger Events set out in paragraphs 1, 2, 3, 4, 5, 11, 15 and 16 of Part 1 of Schedule 5 to the CTA) (the "**Trigger Event CP**").

1.1.2 On 28 May 2025, Ofwat announced its final decision following two investigations into the Company's wastewater operations and certain dividend payments (the "**Ofwat Decision**"). In respect of the Ofwat Decision as a whole, Ofwat imposed penalties totalling £122,700,000 and, in connection with its investigation into the Company's wastewater operations only, issued the Company with an Enforcement Order under section 18 of the WIA (the "**May 2025 Enforcement Order**").

### **1.2 Appeal Period CP**

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**").

### **1.3 June Release Condition**

1.3.1 Pursuant to Clause 4.2.1 (*Further Conditions Precedent*) of the Super Senior IBLA, it is a condition precedent to the utilisation of any Loans (as defined therein) to be

made on or after 30 June 2025 that, among other things, a lock-up agreement in respect of a restructuring plan to implement a Recapitalisation Transaction has been entered into by (i) holders of at least 66 2/3 per cent. of the Super Senior Issuer Funding; and (ii) Class A Debt Providers holding at least 66 2/3 per cent. of the aggregate Class A Debt (not including any Super Senior Debt) (the "**Supported LUA**"), provided that such Supported LUA has not been terminated and remains fully effective in accordance with its terms (unless such Recapitalisation Transaction has been implemented pursuant to the Supported LUA) (such condition being the "**June Release Condition**").

- 1.3.2 Pursuant to paragraph (viii) of the definition of "*Funding Conditions*" in Clause 1.1 (*Definitions*) of the Super Senior IBLA, where the Company is (at the relevant time) acting in good faith towards a Recapitalisation Transaction, any extension of the June Release Condition can be effected with the consent of the Super Senior Issuer and the Super Senior Security Trustee in accordance with the relevant terms of the Super Senior Issuer Intercreditor Agreement.
- 1.3.3 Whilst the Company considers that it is acting in good faith to advance the Equity Raise (as defined below) and related Recapitalisation Transaction, the June Release Condition is not anticipated to be satisfied by 30 June 2025 for the reasons set out in paragraph 2.2 (*Recapitalisation Transaction*) below.

Accordingly, please find below a request to the Super Senior Issuer and the Super Senior Security Trustee, under the Super Senior IBLA, to (i) grant a temporary waiver in respect of the Appeal Period CP (the "**Appeal Period CP Waiver**"); (ii) consent to an extension to the date for the satisfaction of the June Release Condition as it relates to paragraph (viii) of the definition of "*Funding Conditions*" in Clause 1.1 (*Definitions*) of the Super Senior IBLA only (and not, for the avoidance of doubt, for any other purpose including the establishment of Additional Commitments under the Super Senior IBLA in accordance with Clause 2.4 (*Accordion*) thereto) (the "**JRC Extension**"); (iii) provide their consent with respect to amendments to the Super Senior IBLA in connection therewith (the "**Amendments**"); and (iv) grant a waiver in respect of the Trigger Event CP as it relates to the May 2025 Enforcement Order only (the "**Trigger Event CP Waiver**", and together with the Appeal Period CP Waiver, the "**Waivers**"), to the extent such Trigger Event CP is not satisfied as a result of matters arising from, or directly as a consequence of, the May 2025 Enforcement Order.

## 2 Reasons for the Third IBLA Basic Consent 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**"). 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 Charles Maynard MP (the "**Appellants**") were each granted permission to appeal the Sanction Order to the Court of Appeal on certain grounds and 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.
- 2.1.4 Following the approval of the First IBLA Waiver by the Super Senior Security Trustee and the Super Senior Issuer and in accordance with the deemed amendments to the Super Senior IBLA implemented on 1 April 2025 pursuant to the First Super Senior IBLA W&A Letter, the Super Senior Issuer advanced a Loan to the Borrower on 11 April 2025 in a principal amount equal to £350,000,000 (less applicable deductions) (the "**First IBLA Interim Drawdown**").
- 2.1.5 The judgment of the Court of Appeal dismissing the Appeal was subsequently handed down on 15 April 2025, with the Appellants given until 25 April 2025 to seek permission from the Court of Appeal to appeal the Court of Appeal Decision to the Supreme Court.
- 2.1.6 On 25 April 2025, Charles Maynard MP sought the permission of the Court of Appeal to appeal the Court of Appeal Decision to the Supreme Court (the "**Supreme Court Permission to Appeal**").
- 2.1.7 By order dated 7 May 2025, the Court of Appeal refused the Supreme Court Permission to Appeal. That order was sealed and communicated to the parties on 16 May 2025.
- 2.1.8 Following the approval of the Second IBLA Waiver by the Super Senior Security Trustee and the Super Senior Issuer and in accordance with the deemed amendments to the Super Senior IBLA implemented on 15 May 2025 pursuant to the Second Super Senior IBLA W&A Letter, the Super Senior Issuer advanced a Loan to the Borrower on 22 May 2025 in a principal amount equal to £365,000,000 (less applicable deductions) (the "**Second IBLA Interim Drawdown**").
- 2.1.9 On 13 June 2025, Charles Maynard MP directly sought the permission of the Supreme Court to appeal the Court of Appeal Decision to the Supreme Court (the "**Direct Supreme Court Permission to Appeal**").

## 2.2 Recapitalisation Transaction

- 2.2.1 Reference is made to:
- (a) the letter issued by the Company to the Secured Creditors and Subordinated Creditors dated 23 May 2025, which summarised the development of an ongoing equity raise process (the "**Equity Raise**"), the anticipated steps to the completion of the Equity Raise process, and the procedure for accessing (and contributing to) information regarding the related Recapitalisation Transaction; and
  - (b) the announcement made by the Company on 3 June 2025 that Kohlberg Kravis Roberts & Co. L.P. ("**KKR**") had indicated that it will not be in a position to proceed with the Equity Raise, and that KKR's preferred partner status had now lapsed, and that the Company intends to progress discussions on the senior creditors' plan with Ofwat and other stakeholders.
- 2.2.2 As at the date of this Third IBLA Basic Consent Request, it is the Company's view that it is acting in good faith towards achieving a Recapitalisation Transaction. However, as set out in paragraph 1.3.3 (*June Release Condition*) above, and in light

of the matters set out in this paragraph 2.2, the Company does not expect to satisfy the June Release Condition by 30 June 2025.

### 2.3 The May 2025 Enforcement Order

- 2.3.1 As set out in paragraph 1 (*Background*) of this Third IBLA Basic Consent Request, Ofwat issued the May 2025 Enforcement Order on 28 May 2025. It is the Company's view that the May 2025 Enforcement Order constitutes a Trigger Event, as it would have a Material Adverse Effect if not complied with.
- 2.3.2 As such, and to ensure that the Company has continued access to, and confidence of availability of, funding pursuant to the Super Senior IBLA to maintain its liquidity runway without any restrictions as a result of the Trigger Event CP, the Trigger Event CP Waiver is sought.

### 2.4 Rationale for the Third IBLA Basic Consent Request

- 2.4.1 In order that Super Senior Issuer Funding can continue to be provided to the TWU Financing Group prior to the expiry of its liquidity runway and to continue to facilitate the availability of the Super Senior Issuer Funding until the successful completion of a Recapitalisation Transaction, the Company hereby requests that the Super Senior Issuer and the Super Senior Security Trustee consent to (i) the granting of the Appeal Period CP Waiver; (ii) the JRC Extension; (iii) the related amendments to the Super Senior IBLA as set out herein; and (iv) the granting of the Trigger Event CP Waiver.
- 2.4.2 As at the date of this Third IBLA Basic Consent Request, the Appeal Period shall expire on either:
- (a) the date on which the Supreme Court refuses the Direct Supreme Court Permission to Appeal; or
  - (b) where the Direct Supreme Court Permission to Appeal 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.
- 2.4.3 Notwithstanding the advancement of the First IBLA Interim Drawdown on 11 April 2025 and the Second IBLA Interim Drawdown on 22 May 2025, the TWU Financing Group's liquidity runway is not anticipated to extend until the expiry of the Appeal Period due to the Direct Supreme Court Permission to Appeal.
- 2.4.4 Accordingly, the Company is seeking to borrow two further Loans (as defined in the Super Senior IBLA) in an aggregate principal amount equal to £157,000,000 (less applicable deductions) (the "**Third Interim Drawdowns**"), comprising:
- (a) a Loan (as defined in the Super Senior IBLA) in a principal amount equal to £31,375,095.86, to be made available to the Company on or after 24 July

2025, but before 31 July 2025, as such date is agreed between the Super Senior Issuer and the Borrower in writing (the "**July Loan**"); and

- (b) a Loan (as defined in the Super Senior IBLA) in a principal amount equal to £125,624,904.14, to be made available to the Company on or after 11 August 2025, but before 31 August 2025, as such date is agreed between the Super Senior Issuer and the Borrower in writing (the "**August Loan**").

### **3 Requested Consent; Detail of the Third IBLA Basic Consent Request**

**3.1** This paragraph 3 sets out in full the requested the Waivers, the JRC Extension and the Amendments.

**3.2** As explained in paragraph 2.4 (*Rationale for the Third IBLA Basic Consent Request*) 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 Waivers and the JRC Extension, that the Super Senior Issuer and the Super Senior Security Trustee consent to (i) the Appeal Period CP Waiver; (ii) the JRC Extension; (iii) the Amendments; and (iv) the Trigger Event CP Waiver.

**3.3** For the avoidance of doubt, the Waivers, JRC Extension and the Amendments requested in this Third IBLA Basic Consent Request are conditional on (i) one another, such that if either of the Waivers or the JRC Extension are not granted, the Amendments shall not be effected (and vice versa) and (ii) the approval of the Third Super Senior Consent Request to the Super Senior Security Trustee dated on or about the date hereof.

**3.4** If approved pursuant to this Third IBLA Basic Consent Request, the Waivers, the JRC Extension and the Amendments shall each have effect on and from the date on which the Waiver and Amendment Letter (the form of which is attached at Appendix 1 hereto) is executed (the "**Effective Time**"), and, in the case of the Appeal Period CP Waiver only, to but excluding the Waiver Long-Stop Date (the "**Appeal Period CP Waiver Period**"), where:

"**Waiver Long-Stop Date**" means 31 August 2025, or such later date as may be agreed between the Company and the Super Majority SSIS Funding 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 applicable 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 Appeal Period CP 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 Third 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 (being, in respect of (i) the Appeal Period CP Waiver, the Super Majority SSIS Funding Creditors; and (ii) the JRC Extension, the Amendments and the Trigger Event CP Waiver (and given the inter-conditionality with the Super Senior Consent Request dated on or about the date hereof), the Super Majority SSIS Creditors) as specified in Clause 4.7 (*Basic Consent Requests*) of the Super Senior Issuer Intercreditor Agreement.

**4 Effective Amendments (Pursuant to the First IBLA Basic Consent Request and the Second IBLA Basic Consent Request)**

- 4.1** As a condition to the implementation of the First IBLA Waiver, the Company, the Super Senior Issuer and the Super Senior Security Trustee agreed that, with effect from (and including) 1 April 2025 to (but excluding) the date on which the Appeal Period CP is satisfied (the "**AP Funding Period**"), the Super Senior IBLA was amended and the relevant amendments, being those amendments that were not superseded pursuant to the Second Super Senior IBLA W&A Letter, are set out as follows:

- 4.1.1** the reference to "*five (5) Business Days*" in paragraph (a) of limb (i) of the definition of "*Funding Conditions*" was deemed to be "*one (1) Business Day*",

such amendment being subject to the acknowledgments set out at paragraph 4.1 of the First IBLA Basic Consent Request,

(the "**First Effective Amendments**").

- 4.2** Subsequently, as a condition to the implementation of the Second IBLA Waiver, the Company, the Super Senior Issuer and the Super Senior Security Trustee further agreed that, with effect from (and including) 15 May 2025 to (but excluding) the last day of the AP Funding Period, the Super Senior IBLA was amended and the relevant amendments, being those amendments that would not be superseded by the Third Effective Amendments set out in paragraph 5.1 (*Amendments (Requested under this Third IBLA Basic Consent Request)*) pursuant to a Waiver and Amendment Letter substantially in the form attached at Appendix 1 hereto), are set out as follows:

- 4.2.1** the reference to "*three (3) Business Days*" in paragraph (a) of limb (ii) of the definition of "*Funding Conditions*" was deemed to be "*one (1) Business Day*",

such amendment being subject to the acknowledgments set out at paragraph 5.1 of the Second IBLA Basic Consent Request and superseding any prior amendment to the Super Senior IBLA made as part of the First Effective Amendments,

(the "**Second Effective Amendments**", and together with the First Effective Amendments, the "**Effective Amendments**").

- 4.3** For the avoidance of doubt, the Company, the Super Senior Issuer and the Super Senior Security Trustee hereby confirm that the Effective Amendments remain in full force and effect as at the date of this Third IBLA Basic Consent Request.

## 5 Amendments (Requested under this Third IBLA Basic Consent Request)

### 5.1 As a condition to the implementation of the JRC Extension, the Company, the Super Senior Issuer and the Super Senior Security Trustee agree that, with effect from (and including) the Effective Time, the Super Senior IBLA shall be further amended as follows (the "**Third Effective Amendments**"):

#### 5.1.1 the definition of "*Funding Amount*" shall be deleted in its entirety and replaced with:

**"*Funding Amount*" means:**

- (i) *in respect of any Scheduled Funding Date falling before 1 June 2025, an amount in sterling equal to the amount of Super Senior Issuer Funding issued by the Super Senior Issuer on that Business Day;*
- (ii) *in respect of the Scheduled Funding Date relating to the July Loan, an amount in sterling equal to £31,375,095.86 and funded by the Super Senior Issuer solely out of the proceeds of Super Senior Issuer Funding incurred on or about 24 July 2025;*
- (iii) *in respect of the Scheduled Funding Date relating to the August Loan, an amount in sterling equal to £125,624,904.14 and funded by the Super Senior Issuer solely out of the proceeds of Super Senior Issuer Funding incurred on or about 24 July 2025;*
- (iv) *if the Appeal Period CP has not been satisfied, in respect of any Scheduled Funding Date falling on or after 31 August 2025, an amount in sterling equal to the amount of Super Senior Issuer Funding issued by the Super Senior Issuer on that Business Day; and;*
- (v) *if the Appeal Period CP has been satisfied, in respect of any Scheduled Funding Date falling on or after 31 August 2025, an amount in sterling equal to the lower of (a) the applicable Cumulative Funding Amount Balance at such time, (b) the amount that is required for the Group Cash Amount to be equal to £200,000,000, and (c) £350,000,000";*

#### 5.1.2 paragraph (viii) of the definition of "*Funding Conditions*" shall be deleted in its entirety and replaced with:

- (viii) *in respect of any Loans to be made on or after 31 July 2025 (including any Additional Loans, but excluding the August Loan), a Supported LUA has been entered into by such date, provided that this condition shall cease to be satisfied at any time if the Supported LUA has terminated or ceases to be fully effective in accordance with its terms (unless a Recapitalisation Transaction has been implemented which is the subject of the Supported LUA) (such condition being, the "**Extended June Release Condition**") provided further that, where the Borrower is (at the relevant time) acting in good faith towards a Recapitalisation Transaction, any extension of the Extended June Release Condition can be effected with the consent of the Super Senior Issuer and the Super*



*Senior Security Trustee in accordance with the Super Senior Issuer Intercreditor Agreement";*

- 5.1.3 in the definition of "*Funding Conditions*", the word "and" shall be deleted from the end of paragraph (x) and inserted at the end of paragraph (xi), and a new paragraph (xii) shall be inserted in the definition of "*Funding Conditions*" as follows:

*"(xii) no payment in respect of the May 2025 Penalty Notices has been made by the Borrower or an Obligor otherwise than a payment which is made in accordance with an Approved Payment Plan;"*

- 5.1.4 the first paragraph of the definition of "*Early Prepayment Amount*" shall be deleted in its entirety and replaced with:

*"**Early Prepayment Amount** means, with respect to any early voluntary repayment or prepayment of Loans under Clause 5.1.2, Clause 5.1.3, Clause 5.2 or following all Loans being declared immediately due and payable in accordance with Clause 10 (Acceleration), the aggregate of:"*

- 5.1.5 the definition of "*Early Prepayment Date*" shall be deleted in its entirety and replaced with:

*"**Early Prepayment Date** means the date on which Loans are required to be prepaid in accordance with Clause 5.1.2, Clause 5.1.3, Clause 5.2, or Clause 10 (Acceleration);"*

- 5.1.6 in the definition of "*Exit Fee*", the word "or" shall be inserted at the end of limb (i)(c) and a new limb (i)(d) shall be added immediately following the existing limb (i)(c) in the definition of "*Exit Fee*":

*"(d) any Early Prepayment Amount arising under Clause 5.1.3, any "Make-Whole Amount" (howsoever described or defined under the Underlying Super Senior Finance Documents) that is determined as being payable by the Super Senior Issuer with respect to the Super Senior Issuer Funding in connection with such Early Prepayment Amount becoming due and payable under Clause 5.1.3;"*

- 5.1.7 the final paragraph of the definition of "*Exit Fee*" shall be deleted in its entirety and replaced with:

*"which is payable by the Borrower as a result of prepayment under this Agreement in accordance with Clause 5.1.2, Clause 5.1.3, Clause 5.2, or following an acceleration of the Loans in accordance with Clause 10.1 (Acceleration), and provided that, for the avoidance of doubt, where such amount is less than zero, the Exit Fee shall be zero";*

- 5.1.8 each reference to the "*June Release Condition*" shall be deleted and replaced with "*Extended June Release Condition*";

- 5.1.9 all references to the "*Second Funding Date*" shall be deleted, and the actual definition of "*Second Funding Date*" shall be deleted in its entirety;

- 5.1.10 the definition of "*Scheduled Funding Date*" shall be deleted in its entirety and replaced with:

**"Scheduled Funding Date" means:**

- (i) *in respect of all Loans made available to the Borrower on or before 1 June 2025, either (a) the Business Day on which the Super Senior Issuer issues the Super Senior Issuer Funding incurred in order to fund the relevant Loan, or (b) such other date as agreed between the Super Senior Issuer and the Borrower in writing;*
- (ii) *in respect of the July Loan, the Business Day on which the Super Senior Issuer issues the Super Senior Issuer Funding incurred in order to fund the July Loan;*
- (iii) *in respect of the August Loan, on or after 11 August 2025, but before 31 August 2025, as such date is agreed between the Super Senior Issuer and the Borrower in writing;*
- (iv) *if the Appeal Period CP has not been satisfied, in respect of all Loans made available to the Borrower on or after 31 August 2025, either (a) the Business Day on which the Super Senior Issuer issues the Super Senior Issuer Funding incurred in order to fund the relevant Loan, or (b) such other date as agreed between the Super Senior Issuer and the Borrower in writing; and*
- (v) *if the Appeal Period CP has been satisfied, on or after 31 August 2025, the last Business Day of each Month;"*;

**5.1.11** clause 4.2.1 shall be deleted in its entirety and replaced with:

**"4.2.1** *each of the Funding Conditions and the initial conditions precedent set out in clause 4.1 (Initial Conditions Precedent) have been or continue to be (as applicable) satisfied (as confirmed by the Super Senior Issuer in the Release Amount Request Confirmation)" and"*;

**5.1.12** clause 5.1.1 shall be deleted in its entirety and replaced with:

**"5.1.1** *Unless otherwise agreed between the Parties, and subject to Clause 5.1.2, Clause 5.1.3, Clause 5.2 and Clause 10 (Acceleration), the Borrower shall repay (or, where applicable, prepay) each Loan (or part thereof) in such principal amount outstanding, together with all accrued but unpaid interest and Commitment Fees and any other amount required to reimburse the Super Senior Issuer in relation to any fees, costs and expenses of the Super Senior Issuer Bond Administrative Parties, the Super Senior Issuer Account Bank, the Super Senior Issuer Facility Agent and the Super Senior Security Trustee, at such time as the Super Senior Issuer is obligated to make payments under the Super Senior Issuer Funding"*;

**5.1.13** a new clause 5.1.3 shall be added immediately following the existing clause 5.1.2:

**"5.1.3** *If the Borrower or an Obligor makes any payment in respect of the May 2025 Penalty Notices otherwise than a payment which is made in accordance with an Approved Payment Plan (each such payment being an "Unapproved Payment"), the Borrower shall prepay each Loan in full (but not in part) on the date that falls 30 days after the date on which that Unapproved Payment is made at the Early Prepayment Amount"*; and

5.1.14 the reference to "Clause 5.2" in clause 5.4 shall be deleted in its entirety and replaced with "Clause 5.1.3, Clause 5.2";

5.1.15 the following definitions shall be added to clause 1.1 (*Definitions*) in their appropriate alphabetical places:

*"**Appeal Period CP**" means the condition at (i) paragraph 1.11 of part I (Conditions Precedent to Initial Utilisation) of schedule 2 (Conditions Precedent) to the Super Senior Issuer Facility Agreement; and (ii) paragraph 1.11 of schedule 5 (Bond Issuance Conditions) to the Super Senior Issuer Bond Trust Deed";*

*"**Approved Payment Plan**" means a Payment Plan designated as an "Approved Payment Plan" by the Super Senior Issuer (acting with the consent of the Super Senior Security Trustee) and the Super Senior Security Trustee (acting on the instructions of the Majority SSIS Creditors)";*

*"**August Loan**" means the Loan in a principal amount equal to £125,624,904.14 to be made available to the Borrower by the Super Senior Issuer under this Agreement and in accordance with the Super Senior Issuer Intercreditor Agreement";*

*"**July Loan**" means the Loan in a principal amount equal to £31,375,095.86 to be made available to the Borrower by the Super Senior Issuer under this Agreement and in accordance with the Super Senior Issuer Intercreditor Agreement";*

*"**May 2025 Penalty Notices**" means the penalty notices issued by Ofwat to the Borrower on 28 May 2025 under section 22A of the WIA in relation to the Borrower's management of its sewer treatment works and sewage networks, and in relation to the Borrower's non-compliance with its obligations under Licence Condition P30"; and*

*"**Payment Plan**" means any payment plan that is agreed between the Borrower and Ofwat in respect of the May 2025 Penalty Notices".*

5.2 The Super Senior Issuer (acting on the instructions of the Super Senior Security Trustee, in turn acting on the instructions of the Super Majority SSIS Creditors) and the Company further agree that the "*Initial Funding Date*" under and for the purposes of the Super Senior IBLA (which, in accordance with the relevant definition thereof, is to be a date agreed between the Super Senior Issuer and the Borrower) was 10 April 2025 and that, notwithstanding anything to the contrary in the First IBLA Basic Consent Request and the Second IBLA Basic Consent Request, the "*Initial Loan*" was advanced on 11 April 2025. As a result, it is agreed that:

5.2.1 Clause 6.6 (*Initial Funding Premium*) of the Super Senior IBLA shall be amended to read:

**"6.6 Initial Funding Premium:**

**6.6.1** *With respect to the Loans made on or before 31 May 2025, on each Scheduled Funding Date, the Borrower paid (or caused to be paid) to the Super Senior Issuer the applicable Aggregate Pro Rata Initial Funding Premium. Each Aggregate Pro Rata Initial Funding Premium was netted from the relevant Loan drawn by the Borrower on the applicable Scheduled Funding Date. The aggregate amount of all such Aggregate Pro Rata Initial Funding Premiums paid pursuant to this Clause 6.6.1 is equal to £21,450,000.*

**6.6.2** *With respect to any Loans made on or after 1 June 2025, on each Scheduled Funding Date, the Borrower shall pay (or cause to be paid) to the Super Senior Issuer the applicable Aggregate Pro Rata Initial Funding Premium. Each Aggregate Pro Rata Initial Funding Premium shall be netted from the relevant Loan to be drawn by the Borrower on the applicable Scheduled Funding Date, except that, in respect of both the July Loan and the August Loan, the Aggregate Pro Rata Initial Funding Premium relating to each of those Loans shall be netted in aggregate only from the July Loan to be drawn by the Borrower on the Scheduled Funding Date relating to the July Loan.*

**6.6.3** *For the purposes of this Clause 6.6:*

**"Aggregate Pro Rata Initial Funding Premium"** means, on each Scheduled Funding Date, the aggregate of the (i) Pro Rata Initial Funding Premium (if any); and (ii) the Shortfall Pro Rata Initial Funding Premium (if any).

**"Initial Funding Premium"** means £45,000,000.

**"Pro Rata Initial Funding Premium"** means, on each Scheduled Funding Date, an amount equal to:

(A) *the Initial Funding Premium;*

*multiplied by*

(B) *the applicable Funding Amount, less the portion of such Funding Amount that is funded by the Super Senior Issuer out of the proceeds of Additional Super Senior Issuer Funding;*

*divided by*

(C) *the Initial Commitments.*

**"Shortfall Pro Rata Initial Funding Premium"** means, on each Scheduled Funding Date, an amount equal to:

(A) *the Initial Funding Premium;*

*multiplied by*

(B) *the portion of the applicable Funding Amount that is funded by the Super Senior Issuer out of the proceeds of Shortfall Funding;*

*divided by*

(C) *the Initial Commitments".*

**5.2.2** Clause 6.7 (*Backstop Fee Coverage*) of the Super Senior IBLA shall be amended to read:

**"6.7 Backstop Fee Coverage:** *The Super Senior Issuer agrees that, subject to the Borrower having first put the Super Senior Issuer in funds to pay the relevant amount and only to the extent that any relevant backstop fees payable to the Backstop Parties under the Backstop Agreement (such backstop fees, for the avoidance of doubt, being (in aggregate) an amount*

*equal to £52,500,000) have not otherwise been paid or discharged, it will procure on behalf of the Borrower the payment of such unpaid backstop fees to the Backstop Parties. Any backstop fees payable by the Super Senior Issuer shall be netted from the July Loan to be drawn by the Borrower on the applicable Scheduled Funding Date".*

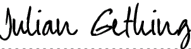
- 5.3** The Company acknowledges and agrees that notwithstanding (a) any termination of the Backstop Agreement, or (b) any provision of this Third IBLA Basic Consent Request, the Super Senior IBLA or any Underlying Super Senior Finance Document, the Company's obligation to pay any unpaid backstop fees to the Backstop Parties under the Backstop Agreement continues (and remains in full force and effect) in accordance with the original terms thereof.
- 5.4** The Super Senior Issuer and Relevant Creditor Advisers 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.
- 5.5** 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):
- 5.5.1** 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 netted from such Super Senior Issuer Funding); and
  - 5.5.2** 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).
- 5.6** Immediately following the end of the AP Funding Period, the Effective Amendments set out in paragraphs 4.1 and 4.2 (*Effective Amendments (Pursuant to the First IBLA Basic Consent Request and the Second IBLA Basic Consent Request)*) 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 on which it was entered into, subject to such amendments and/or variations that are expressed to survive the AP Funding Period (including but not limited to the Third Effective Amendments set out herein); provided that, solely for the purposes of the August Loan, the Effective Amendments shall continue in full force and effect.


## **6 Implementation of the Third 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 Third IBLA Basic Consent Request promptly following the Third ICA Consent Request Voting Date (as defined in the ICA 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 Third IBLA Basic Consent Request, the Waivers, the JRC Extension and Amendments will each be effective pursuant to and in accordance with the Waiver and Amendment Letter on and from the Effective Time, and such Third 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**

DocuSigned by:  
  
.....586DA8DEC2B1439.....  
By: Julian Gething

Signed by:  
  
.....7164D0D159F04E5...  
By: Chris Weston

**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**")

\_\_\_\_\_ 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 30 June 2025 (the "**Third IBLA Basic Consent Request**") relating to Clause 4.2.1 (*Further Conditions Precedent*) of the Super Senior IBLA and Clause 4.7 (*Basic Consent Requests*) of the Super Senior Issuer Intercreditor Agreement;
  - 1.2 the consent request delivered by the Company to the Super Senior Security Trustee relating to the above Third IBLA Basic Consent Request dated 30 June 2025 (the "**Third ICA Consent Request**") and, together with the Third IBLA Basic Consent Request, each a "**Basic Consent Request**" and together the "**Basic Consent Requests**"; and
  - 1.3 the notice of the decision(s) of the Super Majority SSIS Funding Creditors and the Super Majority SSIS Creditors (as applicable) 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 the Super Majority SSIS Funding Creditors and the Super Majority SSIS Creditors (as applicable).
- 4 Pursuant to Clause 4.4(a) (*Basic Consent Requests: General*) of the Super Senior Issuer Intercreditor Agreement, the Super Senior Issuer Trustee (acting on the instructions of the requisite proportions of Super Senior Issuer Secured Creditors) and the Company (acting with the consent of the Super Senior Issuer Trustee) are duly authorised to, and shall



promptly implement the Third IBLA Basic Consent Request following the Third ICA Consent Request Voting Date where the requisite proportions of Super Senior Issuer Secured 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 Issuer Intercreditor Agreement.
- 6 For the purposes of Clause 4.4(a) (*Basic Consent Requests: General*) of the Super Senior Issuer Intercreditor Agreement, and in order to implement the Third IBLA Basic Consent Request, the Super Senior Security Trustee (acting on the instructions of the requisite proportions of Super Senior Issuer Secured Creditors), and the Super Senior Issuer (acting with the consent of the Super Senior Security Trustee) consent to the granting of the Waivers, the JRC Extension and the Amendments as set out in, and subject to the conditions in, the Third IBLA Basic Consent Request.
- 7 Any consent, amendment, waiver or extension (including the Waivers, the JRC Extension 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 requisite proportions of Super Senior Issuer Secured 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, amendment, waiver or extension 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 28.1 (*Jurisdiction*) of the Super Senior Issuer 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**

.....  
By:

.....  
By:

**THE ULTIMATE PARENT**

**THAMES WATER UTILITIES HOLDINGS LIMITED**

.....  
By:

.....  
By: