

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: 4 December 2025

Re: STID Proposals in respect of (i) the RP Launch Waiver; and (ii) the Debt Service Payment Account Consent and 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 certain consents and waivers under the Finance Documents as detailed in paragraph 2 (*Requested Waivers; Detail of the STID Proposals*) 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 Proposals**”).

Capitalised terms used but not defined in these STID Proposals 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 proposals set out in the STID Proposals. This document contains two separate and independent STID Proposals.

## 1 Reasons for the STID Proposals

### 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.
- 1.1.4 On 2 October 2025, a consortium formed of certain Secured Creditors (“**L&VW**”) announced the submission of an updated proposal to the Proposer and Ofwat to deliver the turnaround and recapitalisation of the Proposer (the “**L&VW Proposal**”). With the Proposer’s support, L&VW is continuing discussions with the UK Government and the Proposer’s regulators to progress the proposal for the turnaround and recapitalisation of the Proposer and over the coming months, the Proposer will facilitate continued dialogue with all its stakeholders as it seeks to build consensus around the turnaround and recapitalisation of Thames Water. It is the Proposer’s objective to seek to achieve consensus between all stakeholders to sign a transaction support agreement as soon as possible.
- 1.1.5 To facilitate implementation of a Recapitalisation Transaction, the TWU Financing Group is expected to be required to take the actions set out below (together, the “**Proposed Steps**”):
  - (i) TWH proposing a restructuring plan under Part 26A or a scheme of arrangement under Part 26 (as applicable) of the Companies Act 2006 for the purpose of implementing a Recapitalisation Transaction (“**RP2**”);
  - (ii) TWH entering into a deed of contribution in favour of TWUL, TWUF and the Super Senior Issuer to facilitate RP2 (the “**Deed of Contribution**”), pursuant to which TWH will undertake to pay TWUL, the Super Senior Issuer and TWUF (by way of contribution) an amount equal to its share of any payment made by TWUL, the Super Senior Issuer or TWUF in respect of any liability under the Senior Debt and Subordinated Debt. TWH, while already a guarantor of the relevant liabilities will in substance, become a primary obligor, as a result of the Deed of Contribution; and
  - (iii) the TWU Financing Group entering into a transaction support agreement satisfying the requirements of a Supported LUA to be entered into between, among others, TWUL and certain of its Secured Creditors (the “**Transaction Support Agreement**”, which reference includes the Transaction Support Agreement as amended from time to time) to evidence the support of such Secured Creditors for a Recapitalisation Transaction on the terms specified therein.
- 1.1.6 The Proposer considers that none of the Proposed Steps are restricted under the Finance Documents or would result in a Default or Event of Default until a claim form is filed with the court in respect of RP2, and only then if the claim form were filed otherwise than as a consequence of proposing and implementing a restructuring plan under Part 26A or a scheme of arrangement under Part 26 (as applicable) of the Companies Act 2006 in order to implement a Recapitalisation Transaction which is subject to a Supported LUA.
- 1.1.7 The Proposer considers that it may be beneficial to commence certain of the Proposed Steps prior to a Supported LUA being in place and is therefore requesting

a waiver of any Defaults or Events of Default which would occur directly as a consequence of the Proposed Steps (subject to the RP Launch Waiver Condition as defined and described below).

- 1.1.8 The Proposer believes that this waiver would be beneficial to Secured Creditors to enable the timely initiation of RP2 and listing of court dates for the hearing of RP2.
- 1.1.9 For the avoidance of doubt, approval of the consents and waivers proposed in these STID Proposals shall in no way constitute an approval of the terms and conditions of any Recapitalisation Transaction or RP2 which will be sought separately.

## 1.2 Debt Service Payment Account Cash Release Waiver

- 1.2.1 The Proposer notes that, pursuant to paragraphs 6.11 to 6.13 (*Operating Accounts*) of Schedule 11 (*Cash Management*) to the CTA, TWUL is required to transfer the Monthly Payment Amount, equal to 1/12<sup>th</sup> of TWUL's Annual Finance Charge for the relevant 12 month period for credit to the Debt Service Payment Account on the first Business Day of each month.
- 1.2.2 In order to provide additional available liquidity for the TWU Financing Group, the Proposer is seeking additional waivers under the CTA in order to:
  - (i) waive certain of TWUL's obligations relating to funding the Debt Service Payment Account pursuant to paragraphs 6.11 to 6.13 of Schedule 11 (*Cash Management*) to the CTA, as specifically set out in paragraph 2 (*Requested Waivers; Detail of the STID Proposals*) below; and
  - (ii) reduce from seven Business Days to one Business Day the time prior to each Payment Date at which the Debt Service Payment Account must have enough funds to ensure that Scheduled Debt Service payments can be made, and related calculation and re-calculation requirements.
- 1.2.3 The Proposer is requesting a waiver (i) of TWUL's obligations relating to the funding of the Debt Service Payment Account as set out in paragraphs 6.11 to 6.13 (*Operating Accounts*) of Schedule 11 (*Cash Management*) to the CTA; (ii) with respect to the "Determination Date" for the purposes of paragraphs 9.6.1, 9.6.2, 9.6.3 and 9.6.7 (*Debt Service Payment Account*) of Schedule 11 (*Cash Management*) to the CTA, such that the deadline for determining the Scheduled Debt Service and/or Unsecured TWUF Bond Shortfall shall be deferred until the date that is one Business Day (rather than seven Business Days) prior to each Payment Date (the "**Deferred Determination Date**"), such waiver being conditional on any requirement to transfer an amount "promptly" to the Debt Service Payment Account or an Operating Account (as applicable) being a requirement to transfer such amount not later than the relevant Deferred Determination Date; and (iii) of any Default or Event of Default which occurs under Schedule 6 (*Events of Default*) to the CTA, directly as a consequence of the waivers and consents set out in this paragraph 1.2, other than in each case where it would relate to the waiver of or have the effect of changing any Events of Default, Trigger Events, financial ratios or covenants in respect of which the waiver or where the effect of the change would constitute an Entrenched Right.
- 1.2.4 The Proposer believes that these waivers would be beneficial to Secured Creditors, as they would improve the financial resilience of the TWU Financing Group and free up additional liquidity for the implementation of the Proposed Steps.

## 2 Requested Waivers; Detail of the STID Proposals

2.1 This paragraph 2 sets out in full the requested waivers to the CTA.

2.2 As explained in paragraph 1.1, above, the Proposer requests, subject to the RP Launch Waiver Condition, a waiver of any Default or Event of Default which occurs under Schedule 6 (*Events of Default*) to the CTA directly as a consequence of the Proposed Steps, other than where it would relate to the waiver of or have the effect of changing:

2.2.1 any Event of Default under paragraph 1 (*Non-payment*) of Part 1 (*Events of Default (TWH)*) of Schedule 6 (*Events of Default*) to the CTA;

2.2.2 any Event of Default under paragraph 1 (*Non-payment*) of Part 2 (*Events of Default (TWUL, TWUF and the Issuer)*) of Schedule 6 (*Events of Default*) to the CTA;

2.2.3 any Event of Default under paragraph 17 (*Ratios*) of Part 2 (*Events of Default (TWUL, TWUF and the Issuer)*) of Schedule 6 (*Events of Default*) to the CTA;

2.2.4 any of the Trigger Events contained in paragraph 1 (*Financial Ratios*) of Part 1 of Schedule 5 (*Trigger Events*) to the CTA; and

2.2.5 any of the provisions contained in paragraph 37 (*Restricted Payments*) of Part 3 (*General Covenants*) of Schedule 4 (*Covenants*) to the CTA,

(the “**RP Launch Waiver**”).

2.3 If approved pursuant to the relevant STID Proposal, the RP Launch Waiver shall apply on and from the date on which the Consent and Waiver Letter is executed, but the continued application of the RP Launch Waiver is subject to (and conditional upon) the Proposer entering into a Supported LUA in respect of a Recapitalisation Transaction on or prior to the date that any PSL is issued by a member of the TWU Financing Group (the “**RP Launch Waiver Condition**”). For the avoidance of doubt, where the RP Launch Waiver Condition is not satisfied on the date on which a PSL is issued by a member of the TWU Financing Group (the “**PSL Issue Date**”), the RP Launch Waiver shall automatically terminate without any further action by any person, such that each Default or Potential Event of Default arising directly as a result of the Proposed Steps (if any) shall be deemed to have occurred with effect on and from the PSL Issue Date. For the purposes of this paragraph 2.3 and the RP Launch Waiver Condition generally, a “**PSL**” means a letter prepared in accordance with the Chancery Division of the High Court Practice Statement (Companies: Schemes of Arrangement and Restructuring Plans under Part 26 and Part 26A of the Companies Act 2006) issued on 18 September 2025.

2.4 As explained in paragraph 1.2 above, the Proposer requests the Majority Creditors to instruct the Security Trustee to:

2.4.1 waive TWUL’s obligations relating to the funding of the Debt Service Payment Account set out in paragraphs 6.11 to 6.13 (*Operating Accounts*) of Schedule 11 (*Cash Management*) to the CTA;

2.4.2 consent to a waiver with respect to the “Determination Date” for the purposes of paragraphs 9.6.1, 9.6.2, 9.6.3 and 9.6.7 (*Debt Service Payment Account*) of Schedule 11 (*Cash Management*) to the CTA, such that the deadline for determining the Scheduled Debt Service and/or Unsecured TWUF Bond Shortfall shall be deferred until the date that is one Business Day prior to each Payment Date (the “**Deferred Determination Date**”), such waiver being conditional on any requirement

to transfer an amount "promptly" to the Debt Service Payment Account or an Operating Account (as applicable) being a requirement to transfer such amount not later than the relevant Deferred Determination Date; and

- 2.4.3 irrevocably waive any Default or Event of Default which occurs under Schedule 6 (*Events of Default*) to the CTA, directly as a consequence of the waivers and consents set out in this paragraph 2.4, other than in each case where it would relate to the waiver of or have the effect of changing any Events of Default, Trigger Events, financial ratios or covenants in respect of which the waiver or where the effect of the change would constitute an Entrenched Right,

in each case, subject to the terms of paragraph 2.5 below (the "**Debt Service Payment Account Consent and Waiver**" and, together with the RP Launch Waiver, the "**Consent and Waivers**").

- 2.5 If approved pursuant to the relevant STID Proposal, the Debt Service Payment Account Consent and Waiver shall apply on and from the date on which the Consent and Waiver Letter (as defined below) is executed and shall terminate on the later of (i) 20 Business Days after the occurrence of either of the below events; and (ii) the last Business Day in the calendar month in which either of the below events have occurred (such date being the "**DSPA Termination Date**");

2.5.1 the Stable Platform Period has ended; or

2.5.2 the Supported LUA in respect of a Recapitalisation Transaction has been terminated by the Proposer and/or Secured Creditors party to such Supported LUA in accordance with the terms thereof (excluding, for the avoidance of doubt, any termination by an individual Secured Creditor with respect to itself only),

and the Proposer shall give written notice to the Security Trustee of the occurrence of any such event (each such event being a "**DSPA Termination Event**" and such notice a "**DSPA Termination Notice**") in accordance with paragraph 2.7 below.

- 2.6 The termination of the Debt Service Payment Account Consent and Waiver pursuant to paragraph 2.5 shall not require the Proposer to retrospectively comply with the requirements waived in paragraph 2.4 above in respect of any requirements which arose prior to the DSPA Termination Date.
- 2.7 The Proposer shall deliver the DSPA Termination Notice to the Security Trustee promptly following the occurrence of a DSPA Termination Event and no later than the earlier of (i) two Business Days following the occurrence of such events; and (ii) the last Business Day of the calendar month in which the relevant DSPA Termination Event occurred.
- 2.8 A DSPA Termination Notice from the Proposer (signed by two directors of the Proposer without personal liability) delivered to the Security Trustee confirming that a DSPA Termination Event has occurred shall, in the absence of manifest error, be conclusive evidence as to the matter set out in the DSPA Termination Notice.
- 2.9 The Proposer acknowledges and agrees that the Security Trustee may rely upon the statements, certifications, confirmations, consents and acknowledgements by the Proposer contained in the DSPA Termination Notice and the Security Trustee shall not be required to make any investigation in respect thereof. The Proposer further acknowledges and agrees that the Security Trustee shall have the benefit of the Proposer's indemnity under Clause 16.4 (*Remuneration and Indemnification of the Security Trustee*) of the STID.

### 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 each of the STID Proposals:

- (i) only 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 18 December 2025 (the “**STID Voting Date**”)) is required to implement the relevant STID Proposal in accordance with the terms of the Consent and Waiver Letter; and
- (ii) no Entrenched Right or Reserved Matter applies in respect of either 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 these STID Proposals 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 relevant STID Proposal following the earlier of:

- 3.3.1 the date on which the Security Trustee has received votes in favour of the relevant 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 relevant STID Proposal,

by entering into a consent and waiver letter with the Obligors in the form appended to these STID Proposals (the “**Consent and Waiver Letter**”).

### 4 Implementation of the STID Proposals

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 each of the STID Proposals promptly following the STID Voting Date (or such earlier date in accordance with the STID) and, provided that the Majority Creditors approve the relevant STID Proposal, the Consent and Waivers as set out in paragraph 2 (*Requested Waivers; Detail of the STID Proposal*) shall apply under the CTA and MDA upon execution of the Consent and Waiver Letter and pursuant to Clause 9.7 (*Binding Decisions of Majority Creditors*) of the STID, such Consent and Waivers will bind the Secured Creditors and the Secondary Market Guarantors.

4.2 Each of the STID Proposals 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 each relevant 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 Proposals 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 Consent and Waiver Letter executed in accordance with these STID Proposals).

Yours faithfully

**THE PROPOSER**


**THAMES WATER UTILITIES LIMITED**

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By: Julian Gething  
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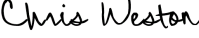


**OBLIGORS**

**THAMES WATER UTILITIES FINANCE PLC**

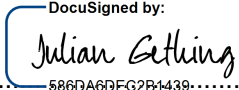
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**Appendix 1**  
**Form of Consent and Waiver Letter**

## CONSENT AND WAIVER LETTER

Deutsche Trustee Company Limited  
21 Moorfields  
London EC2Y 9DB

\_\_\_\_ December 2025

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

Dear Sir or Madam

- 1** We refer to (i) the STID Proposals dated 4 December 2025 (the “**STID Proposals**”) 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 Proposals dated on or around the date hereof (the “**Notice of Approval**”).
- 2** Terms defined in the STID Proposals 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 RP Launch Waiver and the Debt Service Payment Account Consent and Waiver which are each an independent STID Proposal (together, the “**Approved STID Proposals**”).
- 4** 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 Proposals following the earlier of:
  - 4.1** the date on which the Security Trustee has received votes in favour of the Approved STID Proposals from DIG Representatives representing more than 50 per cent. of the aggregate Outstanding Principal Amount of the Qualifying Class A Debt; and
  - 4.2** the STID Voting Date if the Majority Creditors have voted in favour of the Approved STID Proposals.
- 5** The consents and waivers in paragraph 3 above are binding in accordance with Clause 9.7 (*Binding Decisions of Majority Creditors*) and Clause 9.8 (*Binding Vote of DIG Representatives*).
- 6** 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 Proposals, the Security Trustee with effect on the date hereof consents to:
  - 6.1** the RP Launch Waiver as set out in the relevant STID Proposal; and
  - 6.2** the Debt Service Payment Account Consent and Waiver as set out in the relevant STID Proposal.
- 7** 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 Consent and 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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By:

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By: