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## COMPLIANCE CERTIFICATE

To: The Royal Bank of Scotland plc as Agent  
Deutsche Trustee Company Limited as Note Trustee

From: Kelda Finance (No.1) Limited

Dated: 29 July 2015

Dear Sirs

**Trust Deed entered into between Kelda Finance (No.3) plc,  
Kelda Finance (No.1) Limited, Kelda Finance (No.2) Limited and Deutsche Trustee Company  
Limited  
dated 22 January 2013 (the "Trust Deed")**

We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

1. We confirm that:

(a) Group RAR is, as at a Calculation Date, the ratio of Total Net Debt to RCV. As at the Calculation Date, on 31 March 2015:

(i) Total Net Debt was £4,822.8m; and

(ii) RCV was £5,907.2m.

Therefore Group RAR was 81.6% as at such Calculation Date and the covenant contained in paragraph (a) of Clause 20.1 (*Financial condition*) has been complied with;

(b) Group PMICR is, in respect of a Calculation Period, the ratio of Cash Flow for that Calculation Period less Capital Maintenance Expenditure to the Total Interest Service for the same Calculation Period. In respect of the period ending 31 March 2015:

(i) Cash Flow was £623.8m;

(ii) Capital Maintenance Expenditure was £306.3m; and

(iii) Total Interest Service was £234.5m.

Therefore Group PMICR was 1.35 times for the Calculation Period ending 31 March 2015 and the covenant contained in paragraph (b) of Clause 20.1 (*Financial condition*) has been complied with.

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(c) Group PMICR is, in respect of a Calculation Period, the ratio of Cash Flow for that Calculation Period less Capital Maintenance Expenditure to the Total Interest Service for the same Calculation Period. In respect of the 12 month Calculation Period ending 31 March 2016:

- (i) Cash Flow is projected to be £571.4m;
- (ii) Capital Maintenance Expenditure is projected to be zero; and
- (iii) Total Interest Service is projected to be £238.7m.

Therefore Group PMICR is projected to be 2.39 times for the 12 month Calculation Period ending 31 March 2016 and the covenant contained in paragraph (b) of Clause 20.1 (*Financial condition*) has been complied with.

- 2. We confirm that the Permitted Distributions made by the Obligors for the period ending 31 March 2015 amount to in aggregate £78.9m.
- 3. We confirm that no Default is continuing.

Signed:

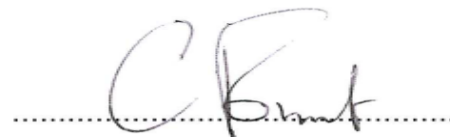


**Liz Barber**

**Director of:**

- **Kelda Finance (No.1) Ltd**
- **Kelda Finance (No.2) Ltd**
- **Kelda Finance (No.3) PLC**

Signed:



**Chantal Forrest**

**Director of:**

- **Kelda Finance (No.1) Ltd**
- **Kelda Finance (No.2) Ltd**
- **Kelda Finance (No.3) PLC**