
COMPLIANCE CERTIFICATE

To: ING Bank as Agent
From: Kelda Finance (No.2) Limited
Dated: 26 July 2016

Dear Sirs

**Kelda Finance (No.2) Limited - £95,000,000 Facility Agreement
dated 4 December 2015 (the "Agreement")**

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 2016:

- (i) Total Net Debt was £4,806.0m; and
- (ii) RCV was £5,833.0m.

Therefore Group RAR was 82.5% as at such Calculation Date and the covenant contained in paragraph (a) of Clause 20.1 (*Financial condition*) has been complied with;]

(b) Conformed Group PMICR is, in respect of a Calculation Period, the ratio of Cash Flow for that Calculation Period less Depreciation, IRE not already deducted in the calculation of Cash Flow or Depreciation; and Fast/Slow Adjustment to the Total Interest Service for the same Calculation Period.

In respect of the Calculation Period ending 31 March 2016:

- (i) Cash Flow was £553.4m;
- (ii) Depreciation was (£210.3m);
- (iii) IRE not already deducted in the calculation of Cash Flow or Depreciation was (£96.8m);
- (iv) Fast/Slow Adjustment was £40.9m; and
- (v) Total Interest Service was £246.2m.

Therefore Conformed Group PMICR was 1.17 times for the Calculation Period ending 31 March 2017 and the covenant contained in paragraph (b) of Clause 20.1 (*Financial condition*) has been complied with.

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2. We confirm that the Permitted Distributions made by the Obligors in the 12 calendar months prior to the date of this certificate amount to £74.7m in aggregate.

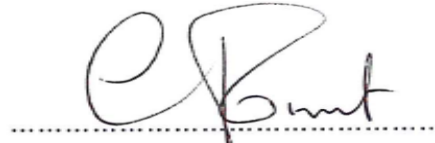
 3. We confirm that no Default is continuing.

Signed:

A handwritten signature in black ink, appearing to read 'Liz Barber', written over a horizontal dotted line.

Liz Barber
Director

Signed:

A handwritten signature in black ink, appearing to read 'Chantal Forrest', written over a horizontal dotted line.

Chantal Forrest
Director