

COMPLIANCE CERTIFICATE

To: Deutsche Trustee Company Limited as Security Trustee
 cc: Fitch Ratings, Moody's investors Service and S&P Global Ratings
 From: Yorkshire Water Services Bradford Finance Limited (the "Programme Issuer")
 Yorkshire Water Services Odsal Finance Limited (the "Exchange Issuer")
 Yorkshire Water Services Finance Limited ("YWSF")
 Yorkshire Water Services Limited ("YWS")

27 July 2018

Dear Sirs

Amended and Restated Common Terms Agreement dated 15 July 2015 between, among others, the Programme Issuer, the Exchange Issuer, YWSF, YWS and Deutsche Trustee Company Limited (the "Security Trustee") (the "Common Terms Agreement")

Capitalised terms not defined in this certificate have the meaning given to them in the Master Definitions Agreement.

1. We refer to the Common Terms Agreement. This is a Compliance Certificate.
2. We confirm that:
 - (a) the ratios are as detailed in the table below in respect of the Calculation Date of 31 March 2018.

Date	31/03/2018 Actual	31/03/2019 Forecast	31/03/2020 Forecast
Class A RAR	67.2%	68.4%	68.0%
Senior RAR	75.6%	76.5%	75.8%

Test Period	31/03/2018 Actual	31/03/2019 Forecast	31/03/2020 Forecast
Class A ICR	3.41x	3.96x	3.79x
Class A Adjusted ICR	3.41x	3.96x	3.79x
Senior Adjusted ICR	2.90x	3.57x	3.42x
Class A Average Adjusted ICR	3.40x	3.72x	3.72x
Senior Average Adjusted ICR	2.98x	3.30x	3.30x
Conformed Class A Adjusted ICR	1.81x	1.98x	1.81x
Conformed Senior Adjusted ICR	1.54x	1.79x	1.63x
Conformed Class A Average Adjusted ICR	1.75x	1.87x	1.87x
Conformed Senior Average Adjusted ICR	1.53x	1.65x	1.65x

(together the "**Ratios**").

3. We confirm that each of the above Ratios has been calculated in respect of the relevant period(s) for which it is required to be calculated under the Common Terms Agreement and has not breached the Trigger Event Ratio Levels and has not caused Paragraph 17 (Ratios) of Part 2 (Events of Default - Non-YWH) of Schedule 6 to be breached.
4. We set out below the computation of the following ratios set out in the table in Paragraph 2 above for your information:

Test Period		Year ending 31/03/2018 Actual	Year ending 31/03/2019 Forecast	Year ending 31/03/2020 Forecast
Net Cash Flow divided by	£m	598.2	604.7	608.3
Class A Debt Interest	£m	175.6	152.7	160.7
Class A ICR	times	3.41	3.96	3.79
Net Cash Flow	£m	598.2	604.7	608.3
Less CCD and IRC	£m	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	598.2	604.7	608.3
Class A Debt Interest	£m	175.6	152.7	160.7
Class A Adjusted ICR	times	3.41	3.96	3.79
Net Cash Flow	£m	598.2	604.7	608.3
Less CCD and IRC	£m	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	598.2	604.7	608.3
Senior Debt Interest	£m	206.6	169.2	177.9
Senior Adjusted ICR	times	2.90	3.57	3.42
Year 1 Class A Average Adjusted ICR	times	2.83	3.41	3.41
Year 2 Class A Average Adjusted ICR	times	3.41	3.96	3.96
Year 3 Class A Average Adjusted ICR	times	3.96	3.79	3.79
Class A Average Adjusted ICR	times	3.40	3.72	3.72
Year 1 Senior Average Adjusted ICR	times	2.46	2.90	2.90
Year 2 Senior Average Adjusted ICR	times	2.90	3.57	3.57
Year 3 Senior Average Adjusted ICR	times	3.57	3.42	3.42
Senior Average Adjusted ICR	times	2.98	3.30	3.30
Net Cash Flow	£m	598.2	604.7	608.3
Less Depreciation	£m	(255.7)	(253.5)	(213.7)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(71.3)	(85.4)	(116.2)
Fast/Slow Adjustment	£m	47.2	36.9	12.1
Adjusted Cash Flow divided by	£m	318.4	302.7	290.5
Class A Debt Interest	£m	175.6	152.7	160.7
Conformed Class A Adjusted ICR	times	1.81	1.98	1.81
Net Cash Flow	£m	598.2	604.7	608.3
Less Depreciation	£m	(255.7)	(253.5)	(213.7)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(71.3)	(85.4)	(116.2)
Fast/Slow Adjustment	£m	47.2	36.9	12.1
Adjusted Cash Flow divided by	£m	318.4	302.7	290.5
Senior Debt Interest	£m	206.6	169.2	177.9
Conformed Senior Adjusted ICR	times	1.54	1.79	1.63

Test Period		31/03/2018 Actual	31/03/2019 Forecast	31/03/2020 Forecast
Year 1 Conformed Class A Average Adjusted ICR	times	1.46	1.81	1.81
Year 2 Conformed Class A Average Adjusted ICR	times	1.81	1.98	1.98
Year 3 Conformed Class A Average Adjusted ICR	times	1.98	1.81	1.81
Conformed Class A Average Adjusted ICR	times	1.75	1.87	1.87
Year 1 Conformed Senior Average Adjusted ICR	times	1.26	1.54	1.54
Year 2 Conformed Senior Average Adjusted ICR	times	1.54	1.79	1.79
Year 3 Conformed Senior Average Adjusted ICR	times	1.79	1.63	1.63
Conformed Senior Average Adjusted ICR	times	1.53	1.65	1.65

Test Period		31/03/2018 Actual	31/03/2019 Forecast	31/03/2020 Forecast
Class A Net Indebtedness divided by	£m	4,329.5	4,602.9	4,779.5
RCV	£m	6,446.3	6,733.5	7,031.3
Class A RAR	%	67.2%	68.4%	68.0%
Senior Net Indebtedness divided by	£m	4,872.2	5,149.9	5,330.8
RCV	£m	6,446.3	6,733.5	7,031.3
Senior RAR	%	75.6%	76.5%	75.8%

5. The tables below reconcile the calculations of Senior Net Indebtedness, Net Cash Flow, and Class A and Senior Debt Interest contained within this report against the audited financial statements of YWS for period ended 31 March 2018.

Net debt	Reference	2017/18
		£m
YW net debt at 31 March 2018	Note 17 to YW's AR&FS	4,101.9
Fair value adjustment of bonds	Note 17 to YW's AR&FS	(80.1)
Amounts owed from group companies	Note 17 to YW's AR&FS	768.8
Intercompany loans to/(from) other members of the YW Financing Group that reverse on consolidation	Note 17 to YW's AR&FS	(25.8)
Unamortised issue costs	Note 17 to YW's AR&FS	11.3
Discount on RPI accretion on inflation linked swaps	Note 18 to YW's AR&FS	96.1
Senior Net Indebtedness		4,872.2
<i>of which Class A Net Indebtedness</i>		4,329.5

Adjusted Cash Flow	Reference	2017/18
		£m
YW EBITDA excluding exceptional items	Note 3 to YW's AR&FS	577.1
Changes in working capital	Table 1D line 5 of YW's APR	21.1
Net Cash Flow		598.2
Less Depreciation	YW FD (inflated to outturn)	(255.7)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation:		
- FD allowance	YW FD (inflated to outturn)	(90.8)
- IRE already deducted	Note 26 to YW's AR&FS	19.5
		(71.3)
Fast/Slow Adjustment	YW FD (inflated to outturn)	47.2
Adjusted Cash Flow		318.4

Class A / Senior Debt Interest	Reference	2017/18
		£m
YW net interest paid	Table 1D line 10 of YW's APR	137.4
Interest received on subordinated intercompany loans	Note 7 to YW's AR&FS	51.1
Finance lease interest paid in advance	Note 8 to YW's AR&FS	13.9
Loan repayment from YW to YWSOFL recognised as interest in YW Financing Group's interest cover ratios	Note 15 to YWSOFL's AR&FS	6.0
Exclude one-off refinancing fees	See YW Investors Report (section 14 Bank and liquidity facilities held by the YW Financing Group)	(1.7)
Senior Debt Interest		206.6
<i>of which Class A Debt Interest</i>		175.6

Above totals may not agree due to roundings

We also confirm that:

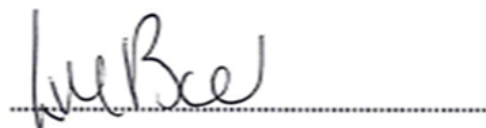
- (a) no Default or Potential Trigger Event is outstanding;
- (b) YWS's insurances are being maintained in accordance with:
 - (i) the Common Terms Agreement; and
 - (ii) the provisions of the Finance Leases;
- (c) the aggregate amount of all accretions by indexation to the original notional amounts of any Super-Senior RPI Linked Hedging Agreements is 4.15% of RCV as at 31 March 2018; and
- (d) no Event of Default or event which would be (with the expiry of a grace period, the giving of notice or the making of any determination or any combination thereof) an Event of Default under any Non-Participating YWSF Bond Debt has occurred and is outstanding.

Yours faithfully

For and on behalf of
YORKSHIRE WATER SERVICES LIMITED



Richard Flint
Chief Executive

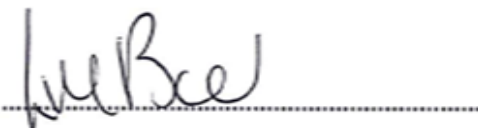


Liz Barber
Group Director of Finance, Regulation & Markets

For and on behalf of
YORKSHIRE WATER SERVICES FINANCE LIMITED



Richard Flint
Director




Liz Barber
Director

For and on behalf of
YORKSHIRE WATER SERVICES ODSAL FINANCE LIMITED



Richard Flint
Director

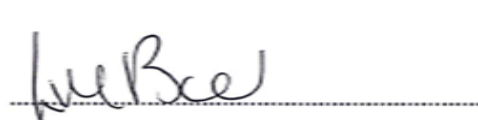


Liz Barber
Director

For and on behalf of
YORKSHIRE WATER SERVICES BRADFORD FINANCE LIMITED



Richard Flint
Director



Liz Barber
Director