

Dated 30 September 2022

SOUTHERN WATER SERVICES (FINANCE) LIMITED

as the Issuer

SW (FINANCE) I PLC

as the UK Issuer

SWS GROUP HOLDINGS LIMITED

SWS HOLDINGS LIMITED

SOUTHERN WATER SERVICES LIMITED

and

SW (FINANCE) II LIMITED

as Guarantors

DEUTSCHE TRUSTEE COMPANY LIMITED

as Bond Trustee and Security Trustee

and

ASSURED GUARANTY UK LIMITED

as Financial Guarantor

DEED OF VARIATION

effecting the substitution of Southern Water Services (Finance) Limited with SW (Finance) I PLC as the issuer and principal debtor in respect of all the bonds issued pursuant to the £6,000,000,000 Guaranteed Bond Programme (the "**Programme**") for the purposes of financing Southern Water Services Limited

Linklaters

Ref: L-280509

Linklaters LLP

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This Deed of Variation is made on 30 September 2022 and is supplemental to the Bond Trust Deeds (as defined below) and is made between:

- (1) **SOUTHERN WATER SERVICES (FINANCE) LIMITED** in its capacity as the original issuer (the “**Issuer**”) of the Existing Bonds (as defined below);
- (2) **SW (FINANCE) I PLC** (the “**UK Issuer**”);
- (3) **SWS GROUP HOLDINGS LIMITED (“SWSGH”), SWS HOLDINGS LIMITED (“SWSH”), SOUTHERN WATER SERVICES LIMITED (“SWS”) and SW (FINANCE) II LIMITED (the “UK DebtCo”)** (together, the “**Guarantors**”);
- (4) **DEUTSCHE TRUSTEE COMPANY LIMITED** (the “**Security Trustee**”) acting in accordance with the STID;
- (5) **DEUTSCHE TRUSTEE COMPANY LIMITED** (the “**Bond Trustee**”, which expression, where the context so admits, includes any other trustee for the time being of the Bond Trust Deeds) acting in accordance with the Bond Trust Deeds; and
- (6) **ASSURED GUARANTY UK LIMITED** (the “**Financial Guarantor**”).

Whereas:

- (A) This Deed of Variation is supplemental to:
 - (i) the bond trust deed dated 23 July 2003 made between, *inter alios*, the Issuer, SWS, SWSGH, SWSH and the Bond Trustee relating to the Programme (the “**Original Bond Trust Deed**”);
 - (ii) the first deed of amendment to the bond trust deed dated 20 May 2005 made between, *inter alios*, the same parties as are parties to the Original Bond Trust Deed and modifying the provisions of the Original Bond Trust Deed (the “**First Deed of Amendment to the Bond Trust Deed**”);
 - (iii) the second deed of amendment to the bond trust deed dated 13 October 2006 made between, *inter alios*, the same parties as are parties to the Original Bond Trust Deed and modifying the provisions of the Original Bond Trust Deed, as amended by the First Deed of Amendment to the Bond Trust Deed (the “**Second Deed of Amendment to the Bond Trust Deed**”);
 - (iv) the third deed of amendment to the bond trust deed dated 27 February 2009 made between, *inter alios*, the Issuer, SWS, SWSGH, SWSH and the Bond Trustee relating to the Programme and modifying the provisions of the Original Bond Trust Deed, as amended by the First Deed of Amendment to the Bond Trust Deed, as further amended by the Second Deed of Amendment to the Bond Trust Deed (the “**Third Deed of Amendment to the Bond Trust Deed**”);
 - (v) the fourth deed of amendment to the bond trust deed dated 4 March 2013 made between, *inter alios*, the same parties as are parties to the Third Deed of Amendment to the Bond Trust Deed and modifying the provisions of the Original Bond Trust Deed, as amended by the First Deed of Amendment to the Bond Trust Deed, as amended by the Second Deed of Amendment to the Bond Trust Deed, as further amended by the Third Deed of Amendment to the Bond Trust Deed (the “**Fourth Deed of Amendment to the Bond Trust Deed**”);

- (vi) the fifth deed of amendment to the bond trust deed dated 14 February 2019 made between, *inter alios*, the same parties as are parties to the Fourth Deed of Amendment to the Bond Trust Deed and modifying the provisions of the Original Bond Trust Deed, as amended by the First Deed of Amendment to the Bond Trust Deed, as amended by the Second Deed of Amendment to the Bond Trust Deed, as further amended by the Third Deed of Amendment to the Bond Trust Deed, as further amended by the Fourth Deed of Amendment (the “**Fifth Deed of Amendment to the Bond Trust Deed**”);
 - (vii) the sixth deed of amendment to the bond trust deed dated 6 May 2020 made between, *inter alios*, the same parties as are parties to the Third Deed of Amendment to the Bond Trust Deed and modifying the provisions of the Original Bond Trust Deed, as amended by the First Deed of Amendment to the Bond Trust Deed, as amended by the Second Deed of Amendment to the Bond Trust Deed, as further amended by the Third Deed of Amendment to the Bond Trust Deed, as further amended by the Fourth Deed of Amendment to the Bond Trust Deed, as further amended by the Fifth Deed of Amendment to the Bond Trust Deed (the “**Sixth Deed of Amendment to the Bond Trust Deed**”, and together with the Original Bond Trust Deed, the First Deed of Amendment to the Bond Trust Deed, the Second Deed of Amendment to the Bond Trust Deed, the Third Deed of Amendment to the Bond Trust Deed, the Fourth Deed of Amendment to the Bond Trust Deed and the Fifth Deed of Amendment to the Bond Trust Deed, the “**Bond Trust Deeds**”); and
 - (viii) the terms and conditions of debt securities as listed in Schedule 1 of this Deed of Variation (the “**Existing Bonds**”).
- (B) Pursuant to the Extraordinary Resolution dated 23 November 2021 passed in accordance with the Bond Trust Deed to which it relates (the “**Extraordinary Resolution**”) and the Deed of Substitution Notice delivered in accordance with the Bond Trust Deed to which it relates, the Bond Trustee has been authorised, directed, requested and empowered to make certain modifications, in relation to the Existing Bonds and to the Bond Trust Deeds (including to the terms and conditions of the Existing Bonds) and to the respective Receipts and Coupons, which continue in full force and effect, as amended by this Deed of Variation.
- (C) Pursuant to the Extraordinary Resolution, the STID Proposal dated 26 October 2021, which has been approved by the Majority Creditors on 26 November 2021, and the Deed of Substitution Notice, the UK Issuer is substituted in place of the Issuer as the issuer and principal debtor under the Existing Bonds, and the Bond Trust Deeds and the respective Receipts and Coupons, and the Guarantors (for so long as they remain Obligors) will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the UK Issuer under the Existing Bonds and the Bond Trust Deeds and the respective Receipts and Coupons.
- (D) This Deed of Variation is supplemental to the Bond Trust Deeds and the Existing Bonds and the respective Receipts and Coupons and should be read in conjunction therewith, and it is binding on, and enures to the benefit of, each of the parties hereto and its successors.

This Deed of Variation witnesses and it is declared as follows:

1 Definitions and Interpretation

Unless otherwise defined in this Deed of Variation or the context requires otherwise, words and expressions used in this Deed of Variation have the meanings and constructions ascribed to them in the master definitions agreement dated 23 July 2003 (as amended pursuant to a deed of amendment dated 13 October 2006 and as amended and restated on 25 October 2018 and as further amended and restated on 16 February 2021 and on or around the date of this Agreement) between, *inter alios*, the Issuer and the Bond Trustee (the “**Master Definitions Agreement**”), the Conditions, the Financial Guarantees or the applicable Final Terms, provided that, in the event of inconsistency between the Master Definitions Agreement and this Deed of Variation, this Deed of Variation prevails.

2 Substitution of Issuer

2.1 The parties hereto agree and acknowledge that, with effect on and from the date of this Deed of Variation:

- 2.1.1 the UK Issuer shall be deemed to be named in each Bond Trust Deed and the Existing Bonds and the Receipts and Coupons as the issuer and principal debtor in place of the Issuer and each Bond Trust Deed and the Existing Bonds and the Receipts and Coupons shall be deemed to be amended in such manner as is necessary to give effect to this substitution and, without prejudice to the generality of the foregoing: (i) any references in the Bond Trust Deeds or in the Existing Bonds or in the Receipts or in the Coupons to “Issuer” shall be deemed to be references to the UK Issuer; (ii) all payment and debt obligations owed by the Issuer in relation to the Existing Bonds arising before or after the date hereof shall be assumed and owed by the UK Issuer; (iii) any reference to “Southern Water Services (Finance) Limited” shall be deemed to be a reference to “SW (Finance) I PLC”; and (iv) any reference to the Cayman Islands as being the country of incorporation of the Issuer shall be deemed to be a reference to the country of incorporation of the UK Issuer (being England and Wales);
- 2.1.2 the Bond Trustee shall assume rights against and obligations to the UK Issuer such that the UK Issuer shall be bound by the terms of the Existing Bonds and the Bond Trust Deeds and the Receipts and Coupons for all purposes as if the UK Issuer had at all times been a party to the Existing Bonds and the Bond Trust Deeds and the Receipts and Coupons in place of the Issuer as the issuer and principal debtor;
- 2.1.3 the Issuer shall be released from all its obligations as issuer and principal debtor under the Bond Trust Deeds and the Existing Bonds and the Receipts and Coupons;
- 2.1.4 each Guarantor shall be deemed to be named in the Bond Trust Deeds and the Existing Bonds and the Receipts and Coupons as a guarantor in respect of the Bond Trust Deeds and the Existing Bonds and the Receipts and Coupons and the Bond Trustee shall assume rights against and obligations to the Guarantors such that the Guarantors shall be bound by the terms of the Existing Bonds and the Bond Trust Deeds and the Receipts and Coupons for all purposes of the Existing Bonds and the Bond Trust Deeds and the Receipts and Coupons as if the Guarantors had, where the context permits, at all times been a party to the Existing Bonds and the Bond Trust Deeds and the Receipts and Coupons as Guarantors; and

2.1.5 Paragraph 2.1 (*Amount of the Bonds, Final Terms and Legal Opinions*) of the Bond Trust Deed shall be amended by adding the following words after “English law or”, “, for so long and to the extent that the Issuer is still incorporated in the Cayman Islands,”.

2.2 The provisions of the Existing Bonds and the Bond Trust Deeds and the Receipts and Coupons, save as varied pursuant to this Deed of Variation, continue in full force and effect.

3 Counterparts

This Deed of Variation may be executed manually or by facsimile in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Deed of Variation.

4 Governing Law

This Deed of Variation and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

5 Jurisdiction

5.1 The English courts have exclusive jurisdiction to settle any dispute in connection with this Deed of Variation.

5.2 The English courts are the most appropriate and convenient courts to settle any such dispute and each of the Issuer, the UK Issuer and the Guarantors waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Deed of Variation.

5.3 This Clause 5 is for the benefit of the Bond Trustee and the Security Trustee only. To the extent allowed by law, the Bond Trustee and the Security Trustee may take:

5.3.1 proceedings in any other court; and

5.3.2 concurrent proceedings in any number of jurisdictions.

6 Notice

6.1 The existing notice provisions under the Bond Trust Deeds continue to apply.

6.2 Any notice or demand to the UK Issuer or the UK DebtCo under the Bond Trust Deeds shall be given, made or served by sending same to:

Address: Southern House
Yeoman Road
Worthing
West Sussex
BN13 3NX

Fax: +44 (0) 1903 272444

Attention: Company Secretary

7 Service of Process

- 7.1** The Issuer irrevocably appoints SWS as its agent under this Deed of Variation for service of process in any proceedings before the English courts.
- 7.2** If any person appointed as process agent is unable for any reason to act as agent for the Issuer for service of process, the Issuer must immediately appoint another agent on terms acceptable to the Security Trustee. Failing this, the Security Trustee may appoint another agent for this purpose.
- 7.3** The Issuer agrees that failure by a process agent to notify the Issuer of any process will not invalidate the relevant proceedings.
- 7.4** This Clause 7 does not affect any other method of service allowed by law.

Schedule 1
List of Debt Securities

(the “Existing Bonds”)

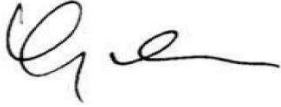
No.	Description	Class	ISIN / Common Code	Issuer	Obligors	Nominal Amount Outstanding
1.	Sub-Class A1 £350,000,000 6.192 per cent. Wrapped Bonds due 2029	A	XS0172989252/017298925	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£350,000,000
2.	Sub-Class A2a £150,000,000 Index- Linked Wrapped Bonds due 2034	A	XS0173036194/017303619	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£150,000,000
3.	Sub-Class A2b £35,000,000 Limited Indexed Wrapped Bonds due 2034	A	XS0173059998/017305999	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£35,000,000
4.	Sub-Class A4 £350,000,000 6.640 per cent. Unwrapped Bonds due 2026	A	XS0172992637/017299263	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£350,000,000
5.	Sub-Class A5 £150,000,000 Index- Linked Unwrapped Bonds due 2023	A	XS0173041517/017304151	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£150,000,000
6.	Sub-Class A8 £150,000,000 5.00 per cent. Wrapped Bonds due 31 March 2041	A	XS0220566383/022056638	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£150,000,000
7.	£200,000,000 Sub- Class A9 4.50 per cent. Wrapped Bonds due March 2052	A	XS0271386244/027138624	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£200,000,000

No.	Description	Class	ISIN / Common Code	Issuer	Obligors	Nominal Amount Outstanding
8.	£300,000,000 Sub-Class A10 5.125 per cent. Wrapped Bonds due September 2056	A	XS0308998144/030899814	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£300,000,000
9.	£375,000,000 Sub-Class A12 2.375 per cent. Sustainable Bonds due May 2028	A	XS2180916525/218091652	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£375,000,000
10.	£450,000,000 Sub-Class A13 3.000 per cent. Sustainable Bonds due 2037	A	XS2180916871/218091687	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£450,000,000
11.	£300,000,000 Sub-Class A14 1.625 per cent. Sustainable Bonds due 2027	A	XS2325617939/232561793	Southern Water Services (Finance) Limited	Southern Water Services Limited SWS Holdings Limited SWS Group Holdings Limited	£300,000,000

This Deed of Variation is delivered on the date stated at the beginning.

THE ISSUER

Executed as a deed by **SOUTHERN WATER SERVICES (FINANCE) LIMITED** acting by **two authorised signatories**



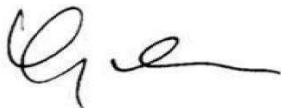
.....
Director



.....
Secretary

THE UK ISSUER

Executed as a deed by **SW (FINANCE) I PLC** acting by **two authorised signatories**



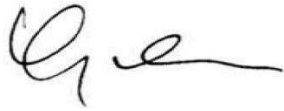
.....
Director



.....
Secretary

GUARANTOR

Executed as a deed by **SW (FINANCE) II LIMITED** acting by **two authorised signatories**



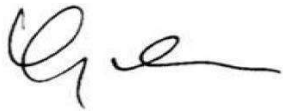
.....
Director



.....
Secretary

GUARANTOR

Executed as a deed by **SWS GROUP HOLDINGS LIMITED** acting by **two authorised signatories**



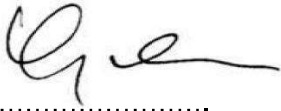
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Director



.....
Secretary

GUARANTOR

Executed as a deed by **SWS HOLDINGS LIMITED** acting by **two authorised signatories**



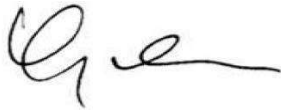
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Director



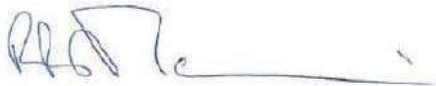
.....
Secretary

GUARANTOR

Executed as a deed by **SOUTHERN WATER SERVICES LIMITED** acting by **two authorised signatories**



.....
Director



.....
Secretary

SECURITY TRUSTEE

THE COMMON SEAL of
DEUTSCHE TRUSTEE COMPANY
LIMITED was affixed to this deed
~~in the presence of:~~

)
)
)
)



Alex Blewer
Associate Director



.....
For and on behalf of
Deutsche Trustee Company Limited
as Security Trustee



PAUL YETTON
ASSOCIATE DIRECTOR

BOND TRUSTEE

EXECUTED as a DEED by
Deutsche Trustee Company Limited:

THE COMMON SEAL of)
DEUTSCHE TRUSTEE COMPANY)
LIMITED was affixed to this deed)
~~in the presence of:~~)



Alex Blewer
Associate Director



.....
For and on behalf of
Deutsche Trustee Company Limited
as Bond Trustee

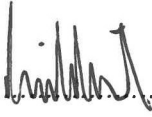


PAUL YETTON
ASSOCIATE DIRECTOR

FINANCIAL GUARANTOR

EXECUTED as a DEED by
Assured Guaranty UK Limited

By:



.....
Director

in the presence of Witness' signature:



.....

Name: SANJAM PATEL
Address: 11TH FLOOR, 6 BEVIS MARK, LONDON EC3A 7BA
Occupation: PORTFOLIO SURVEILLANCE MANAGER