

DATED 4 February 2013

**AFFINITY WATER PROGRAMME FINANCE LIMITED
AS PROGRAMME ISSUER**

**AFFINITY WATER FINANCE (2004) LIMITED
AFFINITY WATER HOLDINGS LIMITED
AFFINITY WATER LIMITED
AS GUARANTORS**

AND

**DEUTSCHE TRUSTEE COMPANY LIMITED
AS BOND TRUSTEE**

**BOND TRUST DEED
IN RESPECT OF A
£2,500,000,000
GUARANTEED BOND PROGRAMME
UNCONDITIONALLY AND IRREVOCABLY
GUARANTEED BY THE GUARANTORS**

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THIS BOND TRUST DEED is made on 4 February 2013

BETWEEN:

- (1) **AFFINITY WATER PROGRAMME FINANCE LIMITED**, incorporated under the laws of the Cayman Islands with limited liability under registered number 274647 (the "**Programme Issuer**");
- (2) **AFFINITY WATER FINANCE (2004) LIMITED**, incorporated in England and Wales with limited liability under registered number 05139236 (the "**Existing Issuer**"), **AFFINITY WATER HOLDINGS LIMITED**, incorporated in England and Wales with limited liability under registered number 08350099 ("**AWHL**") and **AFFINITY WATER LIMITED**, incorporated in England and Wales with limited liability under registered number 02546950 ("**AWL**"), (the Existing Issuer, AWHL and AWL and any entity which accedes to this Bond Trust Deed pursuant to Clause 27 (*New Guarantors*), together the "**Guarantors**"); and
- (3) **DEUTSCHE TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England and Wales whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB (the "**Bond Trustee**", which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of this Bond Trust Deed) as trustee for the Bondholders, the Receiptholders and the Couponholders (each as defined below).

WHEREAS:

- (A) By resolutions of the Board of Directors of the Programme Issuer passed on 15 January 2013, the Programme Issuer has resolved to establish a guaranteed bond programme pursuant to which it may from time to time issue Bonds as set out herein (the "**Programme**"), up to a maximum Principal Amount Outstanding from time to time of £2,500,000,000 (subject to increase as provided in the Dealership Agreement) (the "**Programme Limit**").
- (B) By resolutions of (i) the Board of Directors of each of the Guarantors (other than AWL) passed on 15 January 2013 and 30 January 2013 and (ii) in the case of AWL only, resolutions of its Board of Directors passed on 12 December 2012 and 30 January 2013 and resolutions of its Securitisation Committee passed on 15 January 2013, the Guarantors have resolved to guarantee all Bonds issued under the Programme. The terms upon which each Guarantor has agreed to guarantee and secure the Bonds issued under the Programme are set out in a security agreement dated on or around the date hereof and entered into by, amongst others, each Guarantor in favour of Deutsche Trustee Company Limited as Security Trustee (the "**Security Agreement**"). The Security Agreement is subject to the terms of the STID (as defined in the Master Definitions Agreement (as defined below)).
- (C) The Bond Trustee has agreed to act as trustee of this Bond Trust Deed for the benefit of the Bondholders, the Receiptholders and the Couponholders upon and subject to the terms and conditions of this Bond Trust Deed.

NOW THIS BOND TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

1. DEFINITIONS

- 1.1 Unless otherwise defined in this Bond Trust Deed or the context requires otherwise, words and expressions used in this Bond Trust Deed have the meanings and constructions ascribed to them in the master definitions agreement dated on or about the date hereof between, *inter alios*, the Programme Issuer, the Guarantors and the Bond Trustee (the "**Master Definitions Agreement**"), the Conditions or the applicable Final Terms, **provided that**, in the event of any conflict or inconsistency between the Master Definitions Agreement and this Bond Trust Deed, this Bond Trust Deed shall prevail and in the event of any inconsistency between this Bond Trust Deed and the Conditions or applicable Final Terms, the Conditions or the applicable Final Terms shall prevail.

In addition, the following terms shall have the following meanings for the purposes of this Bond Trust Deed:

"Appointee" means any delegate, agent, nominee, custodian, attorney or manager appointed by the Trustee pursuant to the provisions of the Trust Documents;

"this Bond Trust Deed" means this Bond Trust Deed and the Schedules and any trust deed supplemental hereto and the Schedules (if any) thereto and the Bonds, the Receipts, the Coupons, the Talons, the Conditions and, unless the context otherwise requires, the Final Terms, all as from time to time modified in accordance with the provisions herein or therein contained.

- 1.1.1 All references in this Bond Trust Deed to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment.
- 1.1.2 All references in this Bond Trust Deed to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
- 1.1.3 All references in this Bond Trust Deed to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in this Bond Trust Deed.
- 1.1.4 All references in this Bond Trust Deed to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include references to any additional or alternative clearing system as is approved by the Programme Issuer, the Principal Paying Agent and the Bond Trustee or as may otherwise be specified in the applicable Final Terms.

- 1.1.5 Unless the context otherwise requires, words or expressions used in this Bond Trust Deed shall bear the same meanings as in the Companies Act.
- 1.1.6 In this Bond Trust Deed references to Schedules, Clauses, sub-clauses, paragraphs and sub-paragraphs shall unless expressly otherwise stated be construed as references to the Schedules to this Bond Trust Deed and to the Clauses, sub-clauses, paragraphs and sub-paragraphs of this Bond Trust Deed respectively.
- 1.1.7 In this Bond Trust Deed, tables of contents and Clause headings are included for ease of reference and shall not affect the construction of this Bond Trust Deed.
- 1.1.8 In this Bond Trust Deed, any reference to a Trust Corporation denotes a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any jurisdiction other than England to act as a trustee and carry on trust business under the laws of its country of incorporation.
- 1.2 All references in this Bond Trust Deed to the "**relevant currency**" shall be construed as references to the currency in which payments in respect of the Bonds and/or Receipts and/or Coupons of the relevant Sub-Class are to be made as indicated in the applicable Final Terms.
- 1.3 All references in this Bond Trust Deed to Bonds having a "**listing**" or being "**listed**" on a Stock Exchange shall (i) in relation to the London Stock Exchange, be construed to mean that such Bonds have been admitted to the Official List by the UK Listing Authority and admitted to trading on the London Stock Exchange's Regulated Market and (ii) in relation to any other Stock Exchange in a jurisdiction within the European Economic Area, be constructed to mean that such Bonds have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, and all references in this Bond Trust Deed to "**listing**" and "**listed**" shall include references to "**quotation**" and "**quoted**" respectively.
- 1.4 Except as provided in Clause 1.5 below, the Common Terms Agreement shall apply to this Bond Trust Deed, where applicable, and shall be binding on the parties to this Bond Trust Deed as if set out in full in this Bond Trust Deed.
- 1.5 The Common Terms Agreement is, for the purposes of this Bond Trust Deed, amended as follows:
- 1.5.1 Clauses 10.1 (*Currency Indemnity*), 11 (*Expenses*), 17 (*Notices*), 21.1 (*Jurisdiction of English Courts*) and 21.2 (*Service of Process*) of the Common Terms Agreement do not apply to this Bond Trust Deed; and
- 1.5.2 Paragraph 32 (*Further assurance*) of Part 3 (*General Covenants*) of Schedule 4 (*Covenants*) to the Common Terms Agreement applies to this Bond Trust Deed as if set out in full in this Bond Trust Deed, and as if the Programme Issuer were the obligor and the Bond Trustee were the obligee.

- 1.6 If there is any conflict between the provisions of the Common Terms Agreement and the provisions of this Bond Trust Deed, the provisions of this Bond Trust Deed shall prevail.
- 1.7 This Bond Trust Deed and the rights and obligations of the parties under this Bond Trust Deed are subject to the terms and conditions of the STID and each of the parties hereto agrees to be bound by the terms of the STID as if they had been set out in full *mutatis mutandis* in this Bond Trust Deed. Except as expressly provided otherwise herein, where under this Bond Trust Deed, the Bond Trustee is entitled or required to exercise any of its powers, trusts, authorities, duties and discretions pursuant to this Bond Trust Deed, the Conditions or the other Finance Documents, such exercise will be subject to the provisions of the STID. In the event of any inconsistency between this Bond Trust Deed and the STID, the terms of the STID shall prevail.

2. AMOUNT AND ISSUE OF THE BONDS

2.1 Amount of the Bonds, Final Terms and Legal Opinions

- 2.1.1 The Bonds issued by the Programme Issuer will be issued in Sub-Classes with each Sub-Class being one of two Classes, namely, Class A Bonds or Class B Bonds. The Bonds issued will be in an aggregate Principal Amount Outstanding from time to time not exceeding the Programme Limit.
- 2.1.2 By not later than 3.00 p.m. (London time) on the fourth London Business Day preceding each proposed Issue Date, the Programme Issuer shall deliver or cause to be delivered to the Bond Trustee a copy of the applicable Final Terms and drafts of all legal opinions to be given in relation to the relevant issue and shall notify the Bond Trustee in writing without delay of the relevant Issue Date, the nominal amount of the Bonds to be issued and whether any of such Bonds are fungible with an existing Sub-Class or not. Upon the issue of the relevant Bonds, such Bonds shall become duly constituted by this Bond Trust Deed without further formality. The Bond Trustee is not required in any case to approve the applicable Final Terms.
- 2.1.3 Before the first issue of Bonds occurring after each anniversary of this Bond Trust Deed and on such other occasions as the Bond Trustee so requests (on the basis that the Bond Trustee considers it necessary in view of a change (or proposed change) in English law or the law of the Cayman Islands affecting the Programme Issuer or, as the case may be, the Guarantors, this Bond Trust Deed, the Dealership Agreement, the Agency Agreement or the Bond Trustee has other grounds), the Programme Issuer or, as the case may be, the Guarantors will procure that further legal opinion(s) (relating, if applicable, to any such change or proposed change) in such form and with such content as the Bond Trustee may reasonably require from the legal advisers specified in the Dealership Agreement or such other legal advisers as the Bond Trustee may require, is/are delivered to the Bond Trustee. Whenever such a request is made with respect to any Bonds to be issued, the receipt of such opinion in a form satisfactory to the Bond Trustee shall be a further condition precedent to the issue of those Bonds.

2.2 **Covenant to repay principal and to pay interest**

The Programme Issuer covenants with the Bond Trustee that it will, as and when the Bonds of any Sub-Class issued by it or any instalment of principal in respect thereof becomes due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable in accordance with the Conditions, pay or procure to be paid, unconditionally to or to the order of the Bond Trustee in the relevant currency in immediately available funds, the Principal Amount Outstanding (or such other amount as may be specified in the relevant Final Terms including, in the case of Instalment Bonds, the scheduled instalment of principal in respect of the Bonds of such Sub-Class) becoming due for redemption on that date and (except in the case of Zero Coupon Bonds) shall in the meantime and until the redemption in full of the Bonds of such Sub-Class (both before and after any judgment or other order of a court of competent jurisdiction), pay or procure to be paid unconditionally, to or to the order of the Bond Trustee as aforesaid on the dates provided for in the Conditions (or as specified in the relevant Final Terms), interest (which shall accrue from day to day) on the Principal Amount Outstanding (or such other amount as may be specified in the relevant Final Terms including, in the case of Instalment Bonds, the scheduled instalment of principal) of the Bonds outstanding of such Sub-Class at rates and/or in amounts calculated from time to time in accordance with, or specified in, and on the dates provided for in, the Conditions (subject to Clause 2.4),

provided that:

- 2.2.1 every payment of principal, or interest or other sum, which is due in respect of the Bonds or any of them, and which is made to or to the order of the Principal Paying Agent or, as the case may be, the Registrar in the manner provided in the Agency Agreement, shall be in satisfaction only to the extent of the relative covenant by the Programme Issuer contained in this Clause 2.2 except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Bondholders, Receiptholders or Couponholders (as the case may be);
- 2.2.2 if any payment in respect of such Bonds or any of them is made after the due date, payment shall be deemed not to have been made until, either the full amount is paid to the relevant Bondholders, Receiptholders or Couponholders (as the case may be) or, if earlier, the fifth day after notice has been given to the relevant Bondholders, Receiptholders or Couponholders, in accordance with the Conditions that the full amount has been received by the Principal Paying Agent, the Registrar or the Bond Trustee except, in the case of payment to the Principal Paying Agent, or, as the case may be, the Registrar, to the extent that there is failure in the subsequent payment to the Bondholders, Receiptholders, or Couponholders (as the case may be) under the Conditions; and
- 2.2.3 in any case where payment of the whole or any part of the Principal Amount Outstanding (or, in the case of Instalment Bonds, the instalment thereof) due in respect of any Bond is improperly withheld or refused upon due presentation (if so provided for in the Conditions) of the relevant Bond or Receipt (as the case may be), interest shall accrue on the whole or such part of such Principal Amount Outstanding (or, in the case of Instalment Bonds, the

instalment thereof) from the date of such withholding or refusal until either, the date on which such Principal Amount Outstanding (or, in the case of Instalment Bonds, the instalment thereof) due is paid to the relevant Bondholders or Receiptholders (as the case may be) or, if earlier, the fifth day after which notice is given to the relevant Bondholders in accordance with the Conditions that the full amount payable in respect of the said Principal Amount Outstanding (or, in the case of Instalment Bonds, the instalment thereof) is available for collection by the relevant Bondholders or Receiptholders (as the case may be) **provided that**, on further due presentation of the relevant Bond or Receipt (as the case may be) (if so provided for in the Conditions), such payment is in fact made.

The Bond Trustee will hold the benefit of this covenant and the covenant in Clause 5 (*Covenants*) on trust for the Bondholders, the Receiptholders and the Couponholders and itself in accordance with this Bond Trust Deed.

2.3 **Bond Trustee's Requirements Regarding Paying Agents etc**

At any time after an Event of Default or a Potential Event of Default shall have occurred and is continuing or the Bonds of all or any Sub-Class shall otherwise have become due and repayable or the Bond Trustee shall have received any money which it proposes to pay under Clause 9 (*Application of Moneys*) to the relevant Bondholders, Receiptholders and/or Couponholders, the Bond Trustee may:

- 2.3.1 by notice in writing to the Programme Issuer, the Guarantors, the Security Trustee, the Principal Paying Agent, the Registrar, the Transfer Agents and the other Paying Agents, require the Principal Paying Agent and the other Agents or any of them:
 - (a) to act thereafter, until instructed otherwise by the Bond Trustee, as Agents of the Bond Trustee in relation to payments to be made by, or, on behalf of the Bond Trustee under the terms of this Bond Trust Deed on the terms provided in the Agency Agreement *mutatis mutandis* (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of proper out-of-pocket expenses of the Agents shall be limited to the amounts for the time being held by the Bond Trustee on the trusts of this Bond Trust Deed relating to the Bonds of the relevant Sub-Class and available for such purpose) and thereafter to hold all Bonds, Receipts, Coupons and Talons and all sums, documents and records held by them in respect of Bonds, Receipts, Coupons and Talons on behalf of the Bond Trustee; and/or
 - (b) to deliver up all Bonds, Receipts, Coupons and Talons and all sums, documents and records held by them in respect of Bonds, Receipts, Coupons, Talons and Bond Certificates to the Bond Trustee, or, as the Bond Trustee shall direct in such notice **provided that** such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation; and

- 2.3.2 by notice in writing to the Programme Issuer and the Guarantors require each of them to make all subsequent payments in respect of the Bonds, Receipts, Coupons and Talons to or to the order of the Bond Trustee and not to the Principal Paying Agent and, with effect from the issue of any such notice until such notice is withdrawn, sub-clause 2.2.1 shall cease to have effect.
- 2.4 Following an Event of Default under Schedule 6 (*Events of Default*) to the Common Terms Agreement, the rate and/or amount of interest payable in respect of the Bonds will be calculated by the Agent Bank at the same intervals as if there had been no Event of Default, the first of which will commence on the expiry of the Interest Period (as defined in the Conditions) during which the Event of Default occurred, in accordance with the provisions of Condition 6 (*Interest and other Calculations*) (with consequential amendment as necessary), except that the rates of interest need not be published.

2.5 **Currency of Payments**

All payments in respect of, under and in connection with this Bond Trust Deed and the Bonds of any Series to the relevant Bondholders, Receiptholders and Couponholders shall be made in the relevant currency as required by the Conditions.

2.6 **Further Bonds**

The Programme Issuer shall be at liberty from time to time (but subject always to the provisions of this Bond Trust Deed), without the consent of the Bondholders, Receiptholders or Couponholders, to create and issue further Bonds (subject to the provisions of the CTA) (whether in bearer or registered form) having terms and conditions the same as the Bonds of any Sub-Class (the same in all respects save for the amount and date of the first payment of interest thereon). These further Bonds shall be consolidated and form a single Sub-Class with the outstanding Bonds of a particular Sub-Class.

2.7 **Separate Series**

The Bonds of each Sub-Class shall form a separate series of Bonds and accordingly, unless for any purpose the Bond Trustee in its absolute discretion shall otherwise determine, the provisions of this Clause and of the Schedule 4 (*Meeting and Voting Provisions*) shall apply *mutatis mutandis* separately and independently to the Bonds of each Sub-Class. In this Clause and such Schedule the expressions "**Bonds**", "**Bondholders**", "**Receipts**", "**Receiptholders**", "**Coupons**", "**Couponholders**", "**Talons**" and "**Talonholders**" shall be construed accordingly.

3. **FORMS OF THE BONDS**

3.1 **Bearer Global Bonds**

- 3.1.1 The Bearer Bonds of each Tranche will initially be represented by a Temporary Global Bond or a Permanent Global Bond as indicated in the applicable Final Terms. Interests in each Temporary Global Bond shall be exchangeable (save as may be specified in the applicable Final Terms), upon the terms set out therein, for either Definitive Bonds together with, where

applicable, Receipts and (except in the case of Zero Coupon Bonds) Coupons and, where applicable, Talons attached, or interests in a Permanent Global Bond, in each case in accordance with the provisions of such Temporary Global Bond. Each Permanent Global Bond shall be exchangeable for Definitive Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Bonds) Coupons and, where applicable, Talons attached, in accordance with the provisions of such Permanent Global Bond. All Global Bonds shall be prepared, completed and delivered to a common depository for Euroclear and/or Clearstream, Luxembourg in accordance with the provisions of the Dealership Agreement or to another appropriate depository in accordance with any other agreement between the Programme Issuer and the relevant Dealer(s) and, in each case, the Agency Agreement.

3.1.2 Each Temporary Global Bond shall be printed or typed in the form or substantially in the form set out in Part A of the Schedule 2 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Talons*) and may be a facsimile. Each Temporary Global Bond shall have annexed to it a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorised by the Programme Issuer on behalf of the Programme Issuer and shall be authenticated manually by or on behalf of the Principal Paying Agent. Each Temporary Global Bond so executed and authenticated shall be a binding and valid obligation of the Programme Issuer and title to it shall pass by delivery.

3.1.3 Each Permanent Global Bond shall be printed or typed in the form or substantially in the form set out in Part B of the Schedule 2 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Talons*) and may be a facsimile. Each Permanent Global Bond shall have annexed to it a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorised by the Programme Issuer on behalf of the Programme Issuer and shall be authenticated manually by or on behalf of the Principal Paying Agent. Each Permanent Global Bond so executed and authenticated shall be a binding and valid obligation of the Programme Issuer and title to it shall pass by delivery.

3.2 Global Bond Certificates

3.2.1 The Registered Bonds of each Sub-Class will initially be represented by a Global Bond Certificate deposited with a common depository for, and registered in the name of a nominee of such common depository for Euroclear and Clearstream, Luxembourg.

3.2.2 Interests in each Global Bond Certificate shall be exchangeable and transferable only in accordance with, and subject to, the provisions of such Global Bond Certificate, the Agency Agreement and the rules and operating procedures for the time being of Euroclear and Clearstream, Luxembourg.

3.2.3 Each Global Bond Certificate shall be printed or typed in the form or substantially in the form set out in Part A of the Schedule 3 (*Forms of Global and Individual Bond Certificates*) and may be a facsimile. Each Global Bond Certificate shall have annexed to it a copy of the applicable Final Terms and

shall be signed manually or in facsimile by a person duly authorised by the Programme Issuer on behalf of the Programme Issuer and shall be authenticated manually by or on behalf of the Registrar. Each Global Bond Certificate so executed and authenticated shall be a binding and valid obligation of the Programme Issuer.

3.3 **Definitive Bonds and Individual Bond Certificates**

- 3.3.1 Definitive Bonds, the Receipts, the Coupons and the Talons shall be in the respective forms or substantially in the respective forms set out in Parts C, D, E and F respectively, of the Schedule 2 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Talons*). The Definitive Bonds, the Receipts, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with applicable legal requirements and the requirements (if any) from time to time of the relevant Stock Exchange or listing authority and the Conditions may be incorporated by reference into such Definitive Bonds unless not permitted by the relevant Stock Exchange, or shall be endorsed with or have attached the Conditions, and the Definitive Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Definitive Bonds, the Receipts, the Coupons and the Talons shall pass by delivery.
- 3.3.2 Individual Bond Certificates representing Bonds in registered form shall be issued in the form or substantially in the form set out in Part B of the Schedule 3 (*Forms of Global and Individual Bond Certificates*) and shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Individual Bond Certificates shall pass upon the registration of transfers in the register kept by the Registrar in respect thereof in accordance with the provisions of the Agency Agreement and this Bond Trust Deed.
- 3.3.3 Definitive Bonds and Individual Bond Certificates shall be signed manually or in facsimile by a person duly authorised by the Programme Issuer on behalf of the Programme Issuer and shall be authenticated manually by or on behalf of the Principal Paying Agent (in the case of the Definitive Bonds) or the Registrar (in the case of Individual Bond Certificates). The Definitive Bonds and the Individual Bond Certificates so executed and authenticated, and the Receipts, the Coupons and Talons, upon execution and authentication of the relevant Definitive Bonds, shall be binding and valid obligations of the Programme Issuer. The Receipts, the Coupons and the Talons shall not be signed. No Definitive Bond and none of the Receipts, Coupons or Talons appertaining to such Definitive Bond shall be binding or valid until such Definitive Bond shall have been executed and authenticated as aforesaid. Bearer Bonds may be exchanged for Registered Bonds in accordance with the provisions of Condition 2(a) (*Exchange of Bonds*), but Registered Bonds may not be exchanged for Bearer Bonds.

3.4 **Facsimile Signatures**

The Programme Issuer may use the facsimile signature of any person who, at the date such signature is affixed to a Bond, is duly authorised by the Programme Issuer,

notwithstanding that at the time of issue of any of the Bonds, he may have ceased for any reason to be the holder of such office or so authorised.

3.5 **Certificates of Euroclear and Clearstream, Luxembourg**

The Programme Issuer, the Guarantors and the Bond Trustee may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on, as sufficient evidence thereof, a certificate or letter of confirmation issued on behalf of Euroclear or Clearstream, Luxembourg or any form of record made by either of them or such other form of evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that, at any particular time or throughout any particular period, any particular person is, was, or will be, shown in its records as the holder of a particular Principal Amount Outstanding of Bonds represented by a Global Bond or Global Bond Certificate and, if it does so rely on such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

4. **FEES, DUTIES AND TAXES**

The Programme Issuer will pay any stamp, issue, registration, documentary and other fees, duties and taxes, including interest and penalties, payable on or in connection with (i) the execution and delivery of this Bond Trust Deed and the other Transaction Documents, (ii) the constitution, issue and delivery of the Bonds, the Receipts and the Coupons and (iii) any action taken by or on behalf of the Bond Trustee or (where permitted under this Bond Trust Deed so to do) any Bondholder, Receiptholder or Couponholder to enforce, or to resolve any doubt concerning, or for any other purpose in relation to, this Bond Trust Deed or the other Transaction Documents.

5. **COVENANTS**

5.1 Each of the Programme Issuer and the Guarantors covenants with the Bond Trustee that it will comply with and perform and observe all the provisions of this Bond Trust Deed, the Conditions and the other Finance Documents which are expressed to be binding on it. The Bonds, the Receipts and the Coupons are subject to the provisions contained in this Bond Trust Deed, all of which shall be binding on the Programme Issuer, the Guarantors, the Bondholders, the Receiptholders, the Couponholders and all persons claiming through or under them respectively. Subject to the STID, the Bond Trustee shall be entitled to enforce the obligations of the Programme Issuer and the Guarantors under the Bonds, the Receipts and the Coupons as if the same were set out and contained in this Bond Trust Deed, which shall be read and construed as one document with the Bonds, the Receipts and the Coupons. The Bond Trustee shall hold the benefit of this covenant upon trust for itself and the Bondholders, the Receiptholders and the Couponholders, according to its, and their respective interests.

5.2 For the avoidance of doubt, the level of any financial ratio or related financial covenant definition set out in Part 2 (*Financial Covenants*) of Schedule 4 (*Covenants*) to the CTA may, following a Periodic Review or any material change in the regulation of the water industry in the United Kingdom, be amended by AWL (acting in its capacity as Transaction Agent) **provided that**, as required by the terms of the CTA (i) the Security Trustee (acting on the instructions of the Majority Creditors) agrees and the relevant ratings set out in the definition of Rating Requirement have

been affirmed by all Rating Agencies then rating the Bonds; or (ii) in circumstances where a Rating Agency is not willing to issue a rating affirmation due to its then prevailing policy regarding the issue of rating affirmations, AWL (acting in its capacity as Transaction Agent) has certified in writing to the Security Trustee that, in its opinion (and where the relevant Rating Agency was prepared to consult with AWL (in its capacity as Transaction Agent) this opinion is based on consultation with such Rating Agency), such amendment would not cause the ratings of the Bonds to be downgraded below the relevant ratings set out in the definition of Rating Requirement by such Rating Agency.

6. CANCELLATION OF BONDS AND RECORDS

6.1 The Programme Issuer shall procure that all Bonds issued by it which (i) are redeemed or (ii) are purchased by, or on behalf of the Programme Issuer, the Guarantors or any Subsidiary of the Programme Issuer or the Guarantors or (iii) being mutilated or defaced, have been surrendered and replaced pursuant to Condition 14 (*Replacement of Bonds, Receipts, Coupons and Talons*) (together in each case, as or for example, in the case of Definitive Bonds, with all unmatured Receipts and Coupons attached to them or delivered with them), and all Receipts and Coupons paid in accordance with the relevant Conditions or which being mutilated or defaced, have been surrendered and replaced pursuant to Condition 14 (*Replacement of Bonds, Receipts, Coupons and Talons*), shall immediately be cancelled by or on behalf of the Programme Issuer and a certificate stating:

- 6.1.1 the aggregate principal amount of Bonds of each Sub-Class which have been redeemed and the aggregate amounts in respect of Receipts and Coupons which have been paid;
- 6.1.2 the serial numbers of such Bonds of each Sub-Class in definitive form and Receipts distinguishing between Bearer Bonds and Registered Bonds;
- 6.1.3 the total numbers (where applicable) of each denomination by maturity date of such Receipts and Coupons;
- 6.1.4 the aggregate amount of interest paid (and the due dates of such payments);
- 6.1.5 the aggregate Principal Amount Outstanding of Bonds (if any) of each Sub-Class which have been purchased by or on behalf of the Programme Issuer, the Guarantors or any Subsidiary of the Programme Issuer or the Guarantors and cancelled and the serial numbers of such Bonds in definitive form and, in the case of Definitive Bonds, the total number (where applicable) of each denomination by maturity date of the Receipts, Coupons and Talons attached to them or surrendered with them;
- 6.1.6 the aggregate Principal Amount Outstandings of Bonds of each Sub-Class and Receipts and the aggregate amounts in respect of Coupons which have been so surrendered and replaced and the serial numbers of such Bonds in definitive form and the total number (where applicable, of each denomination) by maturity date of such Coupons and Talons;

- 6.1.7 the total number (where applicable, of each denomination) by maturity date of the unmatured Coupons missing from Definitive Bonds bearing interest at a fixed rate which have been redeemed or surrendered and replaced and the serial numbers of the Definitive Bonds to which such missing unmatured Coupons appertained; and
- 6.1.8 the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons,

shall be given to the Bond Trustee by or on behalf of the Programme Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, payment, exchange or replacement (as the case may be). The Bond Trustee may accept such certificate as conclusive evidence of redemption, purchase or replacement *pro tanto* of the Bonds or payment of interest thereon or exchange of the relative Talons respectively and of cancellation of the relative Bonds and Coupons.

6.2 The Programme Issuer shall procure that:

- 6.2.1 the Principal Paying Agent shall keep a full and complete record of all Bonds of each Sub-Class, Receipts, Coupons and Talons issued by it (other than serial numbers of Receipts and Coupons) and of their redemption or purchase by or on behalf of the Programme Issuer, the Guarantors or any Subsidiary of the Programme Issuer or the Guarantors, any cancellation or any payment (as the case may be) and of all replacement bonds, receipts, coupons or talons issued in substitution for lost, stolen, mutilated, defaced or destroyed Bonds of each Sub-Class, Receipts, Coupons or Talons;
- 6.2.2 the Principal Paying Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of 10 years from the Relevant Date in respect of such Coupons and (in the case of Talons indefinitely) either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged; and
- 6.2.3 that such records and Coupons (if any) shall be made available to the Bond Trustee at all reasonable times.

7. **NON-PAYMENT/EXCHANGE**

7.1 Proof that:

- 7.1.1 as regards any specified Bond, Receipt or Coupon, the Programme Issuer, or, as the case may be, the Guarantors have made default in paying any amount due in respect of such Bond, Receipt or Coupon, shall (unless the contrary be proved), be sufficient evidence that the same default has been made as regards all other Bonds, Receipts or Coupons (as the case may be) in respect of which a corresponding amount is due and payable (and a payment shall be a "corresponding" payment notwithstanding that it is due in respect of a Bond of a different denomination); and

7.1.2 as regards any Talon, the Programme Issuer has defaulted in exchanging such Talon for further Coupons and a further Talon as provided by its terms, shall (unless the contrary be proved) be sufficient evidence that the Programme Issuer has defaulted as regards all other Talons which are then available for exchange.

8. **PROCEEDINGS, ACTION AND INDEMNIFICATION**

The Events of Default and the rights and remedies of the Bond Trustee and the rights and duties of the Bondholders, Receiptholders and the Couponholders as to recovery of amounts owing on the Bonds, Receipts and Coupons are set out in Conditions 11 and 12 and in the Common Terms Agreement.

9. **APPLICATION OF MONEYS**

All moneys received by the Bond Trustee under this Bond Trust Deed from, or on behalf of, the Programme Issuer or, as the case may be, the Guarantors shall be held by the Bond Trustee on trust for itself, the Bondholders, Receiptholders and Couponholders in accordance with the provisions of this Bond Trust Deed and the Bond Trustee shall, subject to the provisions of this Bond Trust Deed, pay such moneys to the Security Trustee to be applied in accordance with Schedule 10 (*Cash Management*) to the Common Terms Agreement, and, without prejudice to the provisions of this Clause 9, if the Bond Trustee holds any moneys which represent principal or interest in respect of Bonds, Coupons or Receipts which have become void under the Conditions, the Bond Trustee shall hold such moneys on the above trusts.

10. **NOTICE OF PAYMENTS**

The Bond Trustee shall give notice to the relevant Bondholders in accordance with Condition 17 (*Notices*) of the day fixed for any payment to them under Clause 9 (*Application of Moneys*). Such payment may be made in accordance with Condition 9 (*Payments*) and any payment so made shall be a good discharge, to the extent of such payment, by the Programme Issuer, the Guarantors or the Bond Trustee, as the case may be.

11. **INVESTMENT BY BOND TRUSTEE**

11.1 If at any time the amount of the moneys then available for the payment of principal and interest in respect of the Bonds under Clause 9 (*Application of Moneys*) shall be less than 10 per cent. of the Principal Amount Outstanding of the Bonds then outstanding, the Bond Trustee may, at its discretion, invest such moneys in some or one of the investments authorised under Clause 11.2 below. The Bond Trustee at its discretion may vary such investments and may accumulate such investments and the resulting income until the accumulations, together with any other funds for the time being under the control of the Bond Trustee and available for such purpose, amount to at least 10 per cent. of the Principal Amount Outstanding of the Bonds then outstanding and then such accumulations and funds (after deduction of any taxes and any other deductibles applicable to them) shall be applied under Clause 9 (*Application of Moneys*).

- 11.2 Any moneys which under the trusts of this Bond Trust Deed ought to or may be invested by the Bond Trustee, may be invested in the name or under the control of the Bond Trustee in any investments or other assets in any part of the world (including, but not limited to, money market instruments and liquid assets), whether or not they produce income, or by placing the same on deposit in the name or under the control of the Bond Trustee at such bank or other financial institution and in such currency as the Bond Trustee may think fit. If that bank or institution is the Bond Trustee or a Subsidiary, holding or associated company of the Bond Trustee, it need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer. The Bond Trustee may at any time vary or transfer any of these investments for or into other investments or convert any moneys so deposited into any other currency and shall not be responsible for any loss resulting from any of these investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

12. **PARTIAL PAYMENTS**

Upon any payment under Clause 9 (*Application of Moneys*) (other than payment in full against surrender of a Bond, Receipt or Coupon), the Bond, Receipt or Coupon in respect of which such payment is made, shall be produced to the Bond Trustee, the Paying Agent or the Registrar by or through whom such payment is made and the Bond Trustee shall or shall cause the Paying Agent or, as the case may be, the Registrar to enface thereon a memorandum of the amount and the date of payment but the Bond Trustee may, in any particular case or generally in relation to Registered Bonds, dispense with such production and enfacement upon such indemnity being given as it shall think sufficient.

13. **PROTECTION OF BOND TRUSTEE**

The Bond Trustee shall be entitled to assume that any instruction, consent or certificate received by it from (i) the Security Trustee or the Programme Issuer, which purports to have been given pursuant to the STID, (ii) from AWL purporting to be acting in its capacity as Transaction Agent under the Transaction Documents or (iii) from the Security Trustee purporting to be acting on the instructions of the Majority Creditors, has been given in accordance with the terms of the STID, the Transaction Documents or the instructions of the Majority Creditors, as applicable. The Bond Trustee shall be entitled to assume that any such instructions, consents or certificates are authentic and have been properly given in accordance with the terms of the STID, the Transaction Documents or the instructions of the Majority Creditors, as applicable. If the Security Trustee, the Programme Issuer or AWL, in issuing or giving any such instruction, consent or certificate breaches any rights or restrictions set out in this Bond Trust Deed, the STID or any other Transaction Document, this shall not invalidate such instruction, consent or certificate unless the Security Trustee, the Programme Issuer or AWL informs the Bond Trustee before the Bond Trustee commences to act on such instruction, consent or certificate that such instruction, consent or certificate is invalid and should not be acted on. If the Bond Trustee is so informed after it has commenced to act on such instruction, consent or certificate, the validity of any action taken shall not be affected but the Bond Trustee shall take no further action in accordance with such instruction, consent or certificate, except to the extent that it has become legally obliged to do so.

14. REMUNERATION AND INDEMNIFICATION OF BOND TRUSTEE

14.1 The Programme Issuer shall pay to the Bond Trustee, by way of remuneration for its services as trustee of this Bond Trust Deed and under the other Finance Documents, such amount and on such date(s) as shall be agreed from time to time by exchange of letters between the Programme Issuer and the Bond Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to Bondholders, Receiptholders and Couponholders) up to and including the date when, all the Bonds having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Principal Paying Agent or the Bond Trustee **provided that**, if upon due presentation of any Bond, Receipt or Coupon or any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will be deemed not to have ceased to accrue and will continue to accrue until payment to such Bondholder, Receiptholder or Couponholder is duly made.

14.2 If an Event of Default or a Potential Event of Default occurs, or the Bond Trustee considers it expedient or necessary, or is requested by the Programme Issuer, to undertake duties which the Bond Trustee and the Programme Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under this Bond Trust Deed or the other Finance Documents, the Programme Issuer shall pay to the Bond Trustee such additional remuneration as shall be agreed between them.

14.3 If the Bond Trustee and the Programme Issuer fail to agree:

14.3.1 (in a case to which Clause 14.1 above applies) upon the amount of the remuneration; or

14.3.2 (in a case to which Clause 14.2 above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under this Bond Trust Deed or the other Finance Documents, or upon such additional remuneration,

such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Bond Trustee and approved by the Programme Issuer or, failing such approval, nominated (on the application of the Bond Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant or investment bank being payable by the Programme Issuer) and the determination of any such merchant or investment bank shall be final and binding upon the Bond Trustee and the Programme Issuer.

14.4 The Programme Issuer shall also on demand pay or discharge all Liabilities properly incurred by the Bond Trustee or any Appointee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Bond Trust Deed or the other Finance Documents, including but not limited to reasonable legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Bond Trustee or any Appointee in connection with any action taken by or on behalf of the Bond Trustee or any Appointee for enforcing, or resolving any doubt concerning, or

for any other purpose in relation to, this Bond Trust Deed or the other Finance Documents.

- 14.5 All amounts payable pursuant to Clause 14.4 above and/or Clause 16.10 shall be payable by the Programme Issuer on the date specified in a demand by the Bond Trustee and, in the case of payments actually made by the Bond Trustee prior to such demand, shall carry interest at the rate of two per cent. per annum above the base rate from time to time of Barclays Bank PLC from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within five days after such demand and, in either case, the Bond Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Bond Trustee shall carry interest at such rate from the due date therefor.
- 14.6 Unless otherwise specifically stated in any discharge of this Bond Trust Deed, the provisions of this Clause 14 and Clause 16.10 shall continue in full force and effect in relation to the period during which the Bond Trustee was trustee of this Bond Trust Deed notwithstanding such discharge.
- 14.7 The Bond Trustee shall be entitled in its absolute discretion to determine in respect of which Sub-Classes of Bonds any Liabilities incurred under this Bond Trust Deed have been incurred or to allocate any such Liabilities between the Bonds of any Sub-Classes.

15. VAT

- 15.1 Any sum payable under this Bond Trust Deed by the Programme Issuer to the Bond Trustee shall be deemed to be exclusive of any VAT chargeable on the supply for which that sum is the consideration (in whole or in part) for VAT purposes. Where, under this Bond Trust Deed, the Bond Trustee makes a supply to the Programme Issuer for VAT purposes and VAT is chargeable on such supply, the Programme Issuer shall pay to the Bond Trustee (in addition to and at the same time as paying any other consideration for such supply) a sum equal to the amount of such VAT against delivery of the appropriate VAT invoice.
- 15.2 Where any party is required by the terms of this Bond Trust Deed to reimburse or indemnify any other party for any cost or expense, such first party shall reimburse or indemnify such other party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such other party (or the representative member of any VAT group of which it formed part) is entitled to credit or repayment in respect of such VAT from HM Revenue & Customs or other relevant tax authority.

16. SUPPLEMENT TO TRUSTEE ACTS

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Bond Trustee in relation to the trusts constituted by this Bond Trust Deed. Where there are any inconsistencies between the Trustee Acts and the provisions of this Bond Trust Deed, the provisions of this Bond Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Bond Trust Deed shall constitute a restriction or exclusion for the purposes of that Act.

The Bond Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto and it is expressly declared as follows:

- 16.1 The Bond Trustee may in relation to this Bond Trust Deed act on the advice or opinion of, or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert, whether obtained by the Programme Issuer, the Guarantors, the Bond Trustee or otherwise and shall not be responsible for any Liability occasioned by so acting (notwithstanding that such advice, opinion or information may contain a cap or other limitation (monetary or otherwise) on the liability of any party).
- 16.2 Any such advice, opinion or information referred to in Clause 16.1 above may be sent or obtained by electronic communication, letter, telex, telegram, facsimile transmission or cable and the Bond Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such electronic communication, letter, telex, telegram, facsimile transmission or cable although the same shall contain some error or shall not be authentic.
- 16.3 The Bond Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing, a certificate signed by two of the Directors of the Programme Issuer or, as the case may be, two of the Directors of the relevant Guarantor. The Bond Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate.
- 16.4 The Bond Trustee shall be at liberty to hold this Bond Trust Deed and any other documents relating to it or to deposit them in any part of the world with any banker or banking company or other company, whose business includes undertaking the safe custody of documents, or lawyer or firm of lawyers considered by the Bond Trustee to be of good repute. The Bond Trustee shall not be responsible for, or required to insure against, any Liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of, or in respect of, any such deposit.
- 16.5 The Bond Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Bonds by the Programme Issuer, the exchange of any Global Bond for another Global Bond or Definitive Bonds or Global Bond Certificate for another Global Bond Certificate or Individual Bond Certificates or the delivery of any Global Bond, Definitive Bond, Global Bond Certificate or Individual Bond Certificate to the person(s) entitled to it or them.
- 16.6 The Bond Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in this Bond Trust Deed or to take any steps to ascertain whether any Event of Default or any Potential Event of Default has occurred. Until it has actual knowledge or express notice pursuant to this Bond Trust Deed to the contrary, the Bond Trustee shall be entitled to assume that no Event of Default or Potential Event of Default has occurred and that the Programme Issuer is observing and performing all its obligations under this Bond Trust Deed, the Bonds and the Finance Documents.

- 16.7 Save as expressly otherwise provided in this Bond Trust Deed, the Bond Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under this Bond Trust Deed (the exercise or non-exercise of which as between the Bond Trustee and the Bondholders, the Receiptholders and Couponholders shall be conclusive and binding on the Bondholders, the Receiptholders and Couponholders) and shall not be responsible for any Liability which may result from their exercise or non-exercise.
- 16.8 The Bond Trustee shall not be liable to any person by reason of having acted upon any Written Resolution or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the holders of Bonds of all or any Sub-Classes in respect whereof minutes have been made and signed or any direction or request of the holders of the Bonds of all or any Sub-Classes even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution (in the case of a Written Resolution), that not all such holders had signed the Written Resolution or (in the case of a direction or request) it was not signed by the requisite number of holders) or that for any reason the resolution, direction or request was not valid or binding upon such holders and the relative Receiptholders and Couponholders.
- 16.9 The Bond Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Bond, Receipt or Coupon purporting to be such and subsequently found to be forged or not authentic.
- 16.10 Without prejudice to the right of indemnity by law given to trustees or any indemnity contained in any other Finance Document or otherwise, the Programme Issuer and each Guarantor shall severally indemnify and/or provide security and/or pre-fund the Bond Trustee and every Appointee and keep it or him indemnified and/or secured and/or pre funded against all Liabilities to which it or he may be or become subject or which may be incurred by it or him in the execution or purported execution of any of its or his trusts, powers, authorities and discretions under this Bond Trust Deed or the other Finance Documents or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Bond Trust Deed or the other Finance Documents or any such appointment.
- 16.11 Any consent or approval given by the Bond Trustee for the purposes of this Bond Trust Deed may be given on such terms and subject to such conditions (if any) as the Bond Trustee thinks fit and notwithstanding anything to the contrary in this Bond Trust Deed may be given retrospectively.
- 16.12 The Bond Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder, Receiptholder or Couponholder any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Bond Trustee by the Programme Issuer, the Guarantors or any other person in connection with this Bond Trust Deed. No Bondholder, Receiptholder or Couponholder shall be entitled to take any action to obtain from the Bond Trustee any such information.
- 16.13 Where it is necessary or desirable for any purpose in connection with this Bond Trust Deed to convert any sum from one currency to another, it shall (unless otherwise provided by this Bond Trust Deed or required by law) be converted at such rate or

rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Bond Trustee in consultation with the Programme Issuer and any rate, method and date so agreed shall be binding on the Programme Issuer, the Guarantors, the Bondholders, the Receiptholders and the Couponholders.

- 16.14 The Bond Trustee as between itself and the Bondholders, the Receiptholders and the Couponholders may determine all questions and doubts arising in relation to any of the provisions of this Bond Trust Deed. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Bond Trustee, shall be conclusive and shall bind the Bond Trustee and the Bondholders, the Receiptholders and the Couponholders.
- 16.15 Subject to the STID and Condition 16(b) (*Exercise of rights by Bond Trustee*), in connection with the exercise by it of any of its trusts, powers, authorities or discretions under this Bond Trust Deed, the Conditions or any Finance Document (including, without limitation, any modification, waiver, consent, authorisation or determination), the Bond Trustee shall have regard to the interests of the holders of the Bonds only **provided that**, if, in the Bond Trustee's sole opinion, there is a conflict between the interests of the holders of the Class A Bonds and the interests of the holders of the Class B Bonds, the Bond Trustee shall only consider the interests of the holders of the Class A Bonds and where, in the sole opinion of the Bond Trustee, there is a conflict of interest between the holders of two or more Sub-Classes of Bonds of the same Class, it shall only consider the interests of the holders of the Sub-Class of Bonds with the shortest dated maturity and, in either case, will not have regard to the consequences of such exercise for the holders of other Classes or Sub-Classes of Bonds or for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof. The Bond Trustee shall not be entitled to require, nor shall any Bondholder, Receiptholder or Couponholder be entitled to claim, from the Programme Issuer, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders, Receiptholders or Couponholders except to the extent already provided for in Condition 10 (*Taxation*) and/or any undertaking given in addition thereto or in substitution therefor under this Bond Trust Deed.

Subject as provided elsewhere in the Conditions and this Bond Trust Deed, the Bond Trustee will exercise its rights under, or in relation to, this Bond Trust Deed or the Conditions or the other Finance Documents in accordance with the directions of the relevant Bondholders, but the Bond Trustee shall not be bound as against the Bondholders to take any such action unless it has (i) (a) (in respect of the matters set out in Condition 11 (*Events of Default*) and Condition 15(a) (*Decisions of Majority Creditors, STID Matters and STID Direct Voting Matters*)) only) been so requested in writing by the holders of at least 25 per cent. in Principal Amount Outstanding of the relevant Sub-Classes of Bonds; or (b) been so directed by an Extraordinary Resolution; and (ii) been indemnified and/or furnished with security and/or pre funded to its satisfaction.

- 16.16 Any trustee of this Bond Trust Deed, being a lawyer, accountant, broker or other person engaged in any profession or business, shall be entitled to charge and be paid

all usual and proper professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of this Bond Trust Deed and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with this Bond Trust Deed or the other Finance Documents.

- 16.17 The Bond Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of this Bond Trust Deed or not) all or any of its trusts, powers, authorities and discretions under this Bond Trust Deed or the other Finance Documents. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Bond Trustee may in the interests of the Bondholders think fit. The Bond Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Bond Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Programme Issuer.
- 16.18 The Bond Trustee may in the conduct of the trusts of this Bond Trust Deed, instead of acting personally, employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with this Bond Trust Deed (including the receipt and payment of money). The Bond Trustee shall not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.
- 16.19 The Bond Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Bond Trust Deed or any other document relating or expressed to be supplemental thereto or any other Transaction Document and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Bond Trust Deed or any other document relating or expressed to be supplemental thereto.
- 16.20 The Bond Trustee may appoint any person to act as its nominee or custodian for any purpose in relation to this Bond Trust Deed or any other Transaction Document and the Bond Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Deed or be bound to supervise the proceedings or acts of such person; the Bond Trustee is not obliged to appoint a custodian if the Bond Trustee invests in securities payable to bearer.
- 16.21 The Bond Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Bonds or for checking or commenting upon the content of any such legal opinion.
- 16.22 The Bond Trustee shall not be concerned, and need not enquire, as to whether or not any Bonds are issued in breach of the Programme Limit.

- 16.23 Any certificate or report of the Auditor of the Programme Issuer or the Guarantors or any other person, called for by or provided to the Bond Trustee (whether or not addressed to the Bond Trustee) in accordance with or for the purposes of this Bond Trust Deed, may be relied upon by the Bond Trustee as sufficient evidence of the facts stated therein, notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Bond Trustee in connection therewith contains a monetary or other limit on the liability of the Auditor of the Programme Issuer or the Guarantors or such other person in respect thereof.
- 16.24 The Bond Trustee shall be under no obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations.
- 16.25 In the absence of knowledge or express notice to the contrary, the Bond Trustee may assume without enquiry that no Bonds are for the time being held by or for the benefit of the Programme Issuer, the Guarantors or any of their respective Subsidiaries.
- 16.26 The Bond Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Bonds by the Programme Issuer or for the exchange of any Temporary Global Bond for a Permanent Global Bond or Definitive Bonds (as the case may be) or the exchange of any Permanent Global Bond for Definitive Bonds, or of a Global Bond Certificate for another Global Bond Certificate or the delivery of any Bond, Coupon, Receipt or Bond Certificate to the person(s) entitled to it or them.
- 16.27 The Bond Trustee may call for and shall be at liberty to accept and place full reliance on, as sufficient evidence thereof, and shall not be liable to the Programme Issuer, any Guarantor or any Bondholder, Receiptholder or Couponholder by reason only of either having accepted as valid or not having rejected, an original certificate or letter of confirmation purporting to be signed on behalf of Euroclear or Clearstream, Luxembourg, or any other relevant clearing system in relation to any matter.
- 16.28 The Bond Trustee shall not be liable to the Programme Issuer, any Guarantor or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct.
- 16.29 Notwithstanding anything else herein contained, the Bond Trustee may refrain from doing anything which would or might in its opinion (acting reasonably) be contrary to any law of any jurisdiction or any directive or regulation of any agency or any state of which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.
- 16.30 Notwithstanding anything contained in this Bond Trust Deed or any other Finance Document, to the extent required by any applicable law, if the Bond Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or under any other Finance Document or if the Bond Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of

performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Bond Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Bond Trust Deed or any other Finance Document (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Bond Trustee in connection with the trusts of this Bond Trust Deed (other than the remuneration herein specified) or otherwise, then the Bond Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Bond Trustee to tax from the funds held by the Bond Trustee upon the trusts of this Bond Trust Deed.

- 16.31 The Bond Trustee shall have no responsibility for the maintenance of any ratings of the Bonds by any Rating Agency or any other internationally recognised rating agency which is providing current ratings for the Bonds.
- 16.32 The Bond Trustee may determine whether or not a default in the performance or observance by the Programme Issuer of any obligation under the provisions of this Bond Trust Deed or contained in the Bonds, Receipts or Coupons is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Bond Trustee shall certify that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders such certificate shall be conclusive and binding upon the Programme Issuer, the Bondholders, the Receiptholders and the Couponholders;
- 16.33 The Bond Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Bond Trustee assigned by the Bond Trustee to administer its corporate trust matters.
- 16.34 Nothing contained in this Bond Trust Deed shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.
- 16.35 The Bond Trustee, in considering the exercise of any power, trust, authority, duty or discretion under or in relation to this Bond Trust Deed or the Conditions, shall be entitled to take into account any such matters as it in its sole discretion considers relevant, including:
- 16.35.1 whether or not the Rating Agencies have confirmed in writing that the then current rating of the Bonds or, as the case may be, the Senior Debt would not be adversely affected by such exercise; or
- 16.35.2 where a Rating Agency is not willing to issue a rating affirmation due to its then prevailing policy regarding the issue of rating affirmations, a certificate in writing from AWL (in its capacity as Transaction Agent) that, in its opinion (and where the relevant Rating Agency was prepared to consult with the AWL

(in its capacity as Transaction Agent) this opinion is based on consultation with such Rating Agency), such exercise would not cause a downgrade to the then current credit ratings of the Bonds or, as the case may be, any Senior Debt by such Rating Agency,

and the Bond Trustee shall have no responsibility or liability whatsoever for such exercise having taken into account in accordance with this Clause 16.35 those matters referred to in paragraphs (a) and/or (b) above, notwithstanding that one or more Rating Agencies may subsequently downgrade, qualify or withdraw the then current rating of any Senior Debt.

16.36 Where a provision of this Bond Trust Deed or the Conditions, expressly provides for AWL (in its capacity as Transaction Agent) to certify in writing to the Bond Trustee that, in its opinion (and where the relevant Rating Agency was prepared to consult with AWL (in its capacity as Transaction Agent) this opinion is based on consultation with such Rating Agency), any modification, amendment and/or supplement would not cause a downgrade to the then current credit ratings of the Bonds or, as the case may be, any Senior Debt by a particular Rating Agency in circumstances where such Rating Agency is not willing to issue a rating affirmation due to its then prevailing policy regarding the issue of rating affirmations, the Bond Trustee shall be entitled to rely without any responsibility or liability whatsoever on such certification.

16.37 Without prejudice to the generality of the foregoing, AWL shall be obliged to notify the Bond Trustee of:

16.37.1 any default in the payment of any premium on the due date for any of the Insurances (as defined in the Master Definitions Agreement) without unreasonable delay; and

16.37.2 any act or omission on the part of AWL which AWL reasonably believes poses a risk of invalidating or rendering unenforceable in whole or in part any of the Insurances.

16.38 The Bond Trustee represents and warrants that it is an authorised person under Section 19 of FSMA.

17. **BOND TRUSTEE'S LIABILITY**

Subject to Section 750 of the Companies Act 2006 (if applicable) and notwithstanding anything to the contrary in this Bond Trust Deed or any other Finance Document, the Bond Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Bond Trust Deed and the other Finance Documents save in relation to its own gross negligence, wilful default or fraud of which it may be guilty in relation to its duties under this Bond Trust Deed and the other Finance Documents.

18. **BOND TRUSTEE CONTRACTING WITH THE PROGRAMME ISSUER AND THE GUARANTORS**

18.1 Neither the Bond Trustee nor any director or officer or holding company, Subsidiary or associated company of a corporation acting as a trustee under this Bond Trust Deed shall by reason of its or his fiduciary position be in any way precluded from:

18.1.1 entering into or being interested in any contract, transaction or arrangement in the ordinary course of business with the Programme Issuer or any Guarantor or any person or body corporate associated with the Programme Issuer or any Guarantor (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of, or the subscribing or procuring subscriptions for, or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Bonds or any other notes, bonds, stocks, shares, debenture stock, debentures or other securities of, the Programme Issuer, any Guarantor or any person or body corporate associated as aforesaid); or

18.1.2 accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Programme Issuer or any Guarantor or any such person or body corporate so associated or any other office of profit under the Programme Issuer or a Guarantor or any such person or body corporate so associated,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in sub-clause 18.1.1 above or, as the case may be, any such trusteeship or office of profit as is referred to in sub-clause 18.1.2 above without regard to the interests of the Bondholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Bondholders, and shall not be responsible for any Liability occasioned to the Bondholders thereby, and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

18.2 Where any holding company, Subsidiary or associated company of the Bond Trustee or any director or officer of the Bond Trustee acting other than in his capacity as such a director or officer has any information, the Bond Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Bondholders resulting from the Bond Trustee's failing to take such information into account in acting or refraining from acting under or in relation to this Bond Trust Deed.

19. MODIFICATION, CONSENT AND WAIVER

19.1 Consent and Waiver

Subject to Conditions 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*) and 16 (*Bond Trustee Protections*) and the provisions of the Common Terms Agreement and the STID, the Bond Trustee may, without the consent or sanction of the Bondholders, the Receiptholders or the Couponholders of any Sub-Class and without prejudice to its rights in respect of any subsequent breach, Event of Default or Potential Event of Default, from time to time and at any time but only if and in so far as in its opinion the interests of the Bondholders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Programme Issuer or any Guarantor of any of the covenants or provisions contained in the Conditions, this Bond Trust Deed or any Finance Document or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of this Bond Trust Deed **provided always that** the Bond Trustee shall not exercise any powers conferred on it by this Clause 19.1 in contravention of any express direction given by Extraordinary Resolution in accordance with Condition 15(b) (*Meetings of Bondholders, Modifications, Waiver and Substitution - Meetings of Bondholders*) but no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine and shall be binding on the Bondholders, the Receiptholders and the Couponholders and, unless the Bond Trustee agrees otherwise, shall be notified by the Programme Issuer to the Bondholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

19.2 Modification

Subject to Conditions 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*) and 16 (*Bond Trustee Protections*) and, in respect of the Common Documents, clause 8 (*Modification, Consents and Waivers*) of the STID, the Bond Trustee may and, in respect of sub-clause 19.2.3 only, shall without the consent or sanction of the Bondholders, the Receiptholders or the Couponholders of any Sub-Class, at any time and from time to time concur with the Programme Issuer or any other relevant parties in making any:

- 19.2.1 modification to the Bonds, the Receipts, the Coupons, the Conditions, this Bond Trust Deed or any Finance Document which in the opinion of the Bond Trustee it may be proper to make **provided that** the Bond Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Bondholders, or
- 19.2.2 modification to the Conditions, this Bond Trust Deed or any Finance Document if in the opinion of the Bond Trustee such modification is of a formal, minor or technical nature or is made to correct a manifest error, or
- 19.2.3 (A) modification to the Bond Trust Deed (including the Conditions), the Agency Agreement and the CP Agreement; and (B) any amendment or supplement to the Master Definitions Agreement, in each case required for the purpose of enabling Bonds to be issued under the Programme within the

United States in reliance on Rule 144A under the United States Securities Act of 1933 (as amended) ("**Rule 144A**") to persons that are both "qualified institutional buyers" within the meaning of Rule 144A and "qualified purchasers" within the meaning of section 2(a)(51) of the United States Investment Company Act of 1940 (as amended) acting for their own account or for the account of another qualifying institutional buyer that is a qualified purchaser, **provided that**: (i) the Programme Issuer shall have provided a certificate signed by two Directors of the Programme Issuer certifying to the Bond Trustee that such modification, amendment and/or supplement is required for such purpose; (ii) the Bond Trustee is provided with confirmation, whether directly or indirectly, from the Rating Agencies that such modification, amendment and/or supplement will not cause a downgrade to the then current credit rating of the Senior Debt by any of the Rating Agencies (**provided further that** in circumstances where a Rating Agency is not willing to issue a rating affirmation due to its then prevailing policy regarding the issue of rating affirmations, AWL (in its capacity as Transaction Agent) has certified in writing to the Bond Trustee that, in its opinion (and where the relevant Rating Agency was prepared to consult with AWL (in its capacity as Transaction Agent) this opinion is based on consultation with such Rating Agency), such modification, amendment and/or supplement would not cause a downgrade to the then current credit ratings of the Senior Debt by such Rating Agency); (iii) each party to the Bond Trust Deed and the Agency Agreement shall have consented to such amendments to the Bond Trust Deed, the Agency Agreement and the CP Agreement and/or any amendment or supplement to the Master Definitions Agreement; (iv) the requested modification, amendment or supplement does not (in the sole opinion of the Bond Trustee) impose any additional obligations or liabilities on the Bond Trustee; and **provided further that** following the implementation of such modifications, amendments and/or supplements the Programme Issuer shall promptly notify the Bondholders thereof.

Any such modification may be made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, and shall be binding upon the Bondholders, the Receiptholders and the Couponholders and, unless the Bond Trustee agrees otherwise, shall be notified by the Programme Issuer to the Bondholders of that Sub-Class in accordance with Condition 17 (*Notices*) as soon as practicable thereafter. For the avoidance of doubt, an amendment of the kind contemplated in Clause 5.2 of this Bond Trust Deed will not require the consent or agreement of the Bond Trustee.

19.3 **Breach**

Any breach of or failure to comply by the Programme Issuer or a Guarantor with any such terms and conditions as are referred to in Clauses 19.1(*Consent and Waiver*) and 19.2 (*Modification*) shall constitute a default by the Programme Issuer or that Guarantor in the performance or observance of a covenant or provision binding on it under or pursuant to this Bond Trust Deed.

19.4 **Permitted Additional Issuer Subsidiary**

Subject to the satisfaction of any conditions applicable to a Permitted Additional Issuer Subsidiary set out in the CTA and the STID and the accession of such

Permitted Additional Issuer Subsidiary to the relevant Transaction Documents, the Bond Trustee shall (without the consent or sanction of the Bondholders, the Receipholders or the Couponholders of any Sub-Class) concur with the other parties to this Bond Trust Deed in making such amendments to this Bond Trust Deed and executing such other deeds, documents and instruments as are necessary for the Permitted Additional Issuer Subsidiary to accede to this Bond Trust Deed and any other relevant Transaction Document (or other relevant document) as an issuer of Bonds under the Programme, **provided that** (i) the Programme Issuer shall have provided a certificate signed by two Directors of the Programme Issuer certifying to the Bond Trustee that such amendment to this Bond Trust Deed or the execution of such other deed, document or instrument is necessary for such purpose and (ii) such amendment to this Bond Trust Deed or the execution of such other deed, document or instrument does not (in the sole opinion of the Bond Trustee) impose any additional obligations or liabilities on the Bond Trustee.

20. **HOLDER OF DEFINITIVE BOND ASSUMED TO BE RECEIPHOLDER AND COUPONHOLDER**

20.1 Wherever in this Bond Trust Deed the Bond Trustee is required or entitled to exercise a power, trust, authority or discretion under this Bond Trust Deed, except as ordered by a court of competent jurisdiction or as required by applicable law, the Bond Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each Bondholder is the holder of all Receipts and Coupons appertaining to each Definitive Bond of which he is the holder.

20.2 **No Notice to Receipt Holders or Couponholders**

Neither the Bond Trustee nor the Programme Issuer shall be required to give any notice to the Receipholders or Couponholders for any purpose under this Bond Trust Deed and the Receipholders or Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Bonds in accordance with Condition 17 (*Notices*).

21. **SUBSTITUTION OF THE PROGRAMME ISSUER**

21.1 Subject to the provisions of the STID, the Bond Trustee may, without the consent of the Bondholders, Receipholders and Couponholders, agree to the substitution of any other company (the "**Substituted Issuer**") in place of the Programme Issuer as principal debtor under this Bond Trust Deed, so long as:

21.1.1 a trust deed is executed or some other written form of undertaking is given by the Substituted Issuer to the Bond Trustee, in form and manner satisfactory to the Bond Trustee, agreeing to be bound by the terms of the Finance Documents and this Bond Trust Deed with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Issuer had been named in this Bond Trust Deed and on the Bonds, the Receipts, the Coupons and in the Finance Documents as the principal debtor in place of the Programme Issuer or any previous Substituted Issuer (as applicable) under this Clause 21;

- 21.1.2 the Programme Issuer, the Substituted Issuer and the Guarantors execute such other deeds, documents and instruments (if any) as the Bond Trustee may require in order that the substitution is fully effective and that the requirement set out in sub-clause 21.1.3 below in respect of the Guarantee relating to the Bonds is met and comply with such other requirements as the Bond Trustee may direct in the interests of the Bondholders, the Receiptholders and the Couponholders;
- 21.1.3 the obligations of the Substituted Issuer under the Bonds continue to be irrevocably and unconditionally guaranteed by each Guarantor;
- 21.1.4 (if all or substantially all the assets of the Programme Issuer or any previous Substituted Issuer (as applicable) are transferred to the Substituted Issuer) the Substituted Issuer acquires the Programme Issuer's or any previous Substituted Issuer's (as applicable) equity of redemption (other than the undertaking of the Programme Issuer or any previous Substituted Issuer (as applicable)), becomes a party to all the Finance Documents to which the Programme Issuer or any previous Substituted Issuer (as applicable) is a party, acknowledges the Security and the other matters created and effected in respect thereof pursuant to this Bond Trust Deed and the Security Documents and takes all such action as the Security Trustee may require so that the Security Assets continue to be subject to the Security and the other matters created by the Substituted Issuer and otherwise effected or maintained in all respects corresponding to those previously subsisting on the part of the Programme Issuer or such previous Substituted Issuer (as applicable);
- 21.1.5 (unless all or substantially all of the assets of the Programme Issuer or any previous Substituted Issuer are transferred to the Substituted Issuer) an unconditional and irrevocable guarantee secured on the Security Assets in form and substance satisfactory to the Bond Trustee is given by the Programme Issuer or any previous Substituted Issuer (as applicable) of the obligations of the Substituted Issuer under this Bond Trust Deed and the Finance Documents;
- 21.1.6 the Substituted Issuer is a single purpose company similar to, and with like constitution as, and having substantially the same restrictions and prohibitions on its activities and operations as the Programme Issuer or any previous Substituted Issuer (as applicable), and satisfies the criteria for a single purpose company established from time to time by the Rating Agencies;
- 21.1.7 the Bond Trustee is satisfied that (i) the Substituted Issuer has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor under this Bond Trust Deed and in respect of the Bonds, the Receipts, the Coupons and the Finance Documents in place of the Programme Issuer or any previous Substituted Issuer (as applicable) and (ii) such approvals and consents are at the time of substitution in full force and effect;
- 21.1.8 each of the Rating Agencies have confirmed in writing to the Bond Trustee that the substitution of the Substituted Issuer will not result in a downgrading of the then current credit rating of such Rating Agencies applicable to the

Class A Bonds and the Class B Bonds, in each case, issued by such Substituted Issuer (**provided that** in circumstances where a Rating Agency is not willing to confirm in writing or to issue a rating affirmation due to its then prevailing policy regarding the issue of rating affirmations, AWL (in its capacity as Transaction Agent) has certified in writing to the Bond Trustee that, in its opinion (and where the relevant Rating Agency was prepared to consult with AWL (in its capacity as Transaction Agent) this opinion is based on consultation with such Rating Agency), such substitution of the Substituted Issuer would not cause a downgrade to the then current credit ratings of such Rating Agency applicable to the Class A Bonds and the Class B Bonds, in each case, issued by such Substituted Issuer); and

- 21.1.9 the Bond Trustee is provided with such legal opinions as it may require in respect of such substitution in form and substance satisfactory to it.
- 21.2 The Bond Trustee shall be entitled to refuse to approve any Substituted Issuer if, pursuant to the law of the jurisdiction of incorporation of the Substituted Issuer, the assumption by the Substituted Issuer of its obligations hereunder imposes responsibilities on the Bond Trustee over and above those which have been assumed under this Bond Trust Deed.
- 21.3 If any two Directors of the Substituted Issuer certify that immediately prior to the assumption of its obligations as Substituted Issuer under this Bond Trust Deed the Substituted Issuer is solvent after taking account of all prospective and contingent liabilities resulting from its becoming the Substituted Issuer, the Bond Trustee need not have regard to the financial condition, profits or prospects of the Substituted Issuer or compare the same with those of the Programme Issuer or any previous Substituted Issuer (as applicable) under this Clause 21 and shall not be responsible for any liability arising as a consequence of relying on such certificate.
- 21.4 In connection with any proposed substitution, the Bond Trustee shall not have regard to, or be in any way liable for, the consequences of such substitution for individual Bondholders, Receiptholders, Couponholders or other Secured Creditors resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of any particular territory. Save as provided in the Finance Documents, no Bondholder, Receiptholder, Couponholder or other Secured Creditors shall, in connection with any such substitution, be entitled to claim from the Programme Issuer or any previous Substituted Issuer (as applicable) any indemnification or payment in respect of any tax arising directly as a consequence of any such substitution in respect of individual Bondholders, Receiptholders, Couponholders or other Secured Creditor.

22. **CURRENCY INDEMNITY**

Each of the Programme Issuer and the Guarantors shall jointly and severally indemnify the Bond Trustee, every Appointee, the Bondholders, the Receiptholders and the Couponholders and keep them indemnified against:

- 22.1.1 any Liability incurred by any of them arising from the non-payment by the Programme Issuer or the Guarantors of any amount due to the Bond Trustee or the holders of the Bonds and the relative Receiptholders or Couponholders

under this Bond Trust Deed by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the Programme Issuer or the Guarantors; and

- 22.1.2 any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due under this Bond Trust Deed (other than this Clause 22) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the Programme Issuer or, as the case may be, the Guarantors and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

23. INDEMNITIES SEPARATE

The indemnities in this Bond Trust Deed shall constitute obligations of the Programme Issuer and the Guarantors, separate and independent from their other obligations under the other provisions of this Bond Trust Deed and shall apply irrespective of any indulgence granted by the Bond Trustee, the Bondholders, the Receiptholders or the Couponholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Programme Issuer or, as the case may be, the Guarantors for a liquidated sum or sums in respect of amounts due under this Bond Trust Deed (other than this Clause). Any Liability or deficiency referred to in Clause 22 (*Currency Indemnity*) shall be deemed to constitute a loss suffered by the Bondholders, the Receiptholders or the Couponholders and no proof or evidence of any actual loss shall be required by the Programme Issuer or the Guarantor or its or their liquidator or liquidators.

24. NEW BOND TRUSTEE

- 24.1 The power to appoint a new trustee of this Bond Trust Deed shall be vested solely in the Programme Issuer and the Guarantors jointly but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the holders of the Class A Bonds, or, if there are no Class A Bonds then outstanding by an Extraordinary Resolution of the holders of the Class B Bonds. One or more persons may hold office as trustee or trustees of this Bond Trust Deed but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of this Bond Trust Deed, the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Bond Trustee by this Bond Trust Deed **provided that** a Trust Corporation shall be included in such majority. Any appointment of a new trustee of this Bond Trust Deed shall as soon as practicable thereafter be notified by the Programme Issuer to the Security Trustee, the Agents and the Bondholders.

24.2 **Separate and Co-Trustees**

Notwithstanding the provisions of Clause 24.1 above, the Bond Trustee may, upon giving prior notice to the Programme Issuer and the Guarantors (but without the consent of the Programme Issuer, the Guarantors, the Bondholders, Receiptholders or Couponholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Bond Trustee:

24.2.1 if the Bond Trustee considers such appointment to be in the interests of the Bondholders;

24.2.2 for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or

24.2.3 for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of this Bond Trust Deed or any other Finance Document against the Programme Issuer or the Guarantors.

24.3 Each of the Programme Issuer and the Guarantors irrevocably appoints the Bond Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Bond Trust Deed) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Bond Trustee by this Bond Trust Deed) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Bond Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Bond Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Bond Trust Deed be treated as Liabilities incurred by the Bond Trustee.

24.4 Any corporation into which the Bond Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Bond Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Bond Trustee, shall be the successor of the Bond Trustee under this Bond Trust Deed, provided such corporation shall be otherwise qualified and eligible under this Clause 24, without the execution or filing of any paper or any further act on the part of any of the parties to this Bond Trust Deed.

25. **BOND TRUSTEE'S RETIREMENT AND REMOVAL**

A trustee of this Bond Trust Deed may retire at any time on giving not less than three months' prior written notice to the Programme Issuer and the Guarantors without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Trustee Removal Creditors in respect of at least 75 per cent. of Trustee Removal Debt then outstanding may, by resolution in writing, remove any trustee or trustees for the time being of this Bond Trust Deed. The Programme Issuer and the Guarantors each undertake that, in the event of the only trustee of this Bond

Trust Deed, which is a Trust Corporation, giving notice under this Clause 25 or being removed by a resolution in writing of the Trustee Removal Creditors, it will use its reasonable endeavours to procure that a new trustee of this Bond Trust Deed being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such trustee shall not become effective until a successor trustee being a Trust Corporation is appointed. If the Programme Issuer has not procured a new trustee within 30 days of expiry of the notice in this Clause 25, the Bond Trustee shall be entitled to procure a new bond trustee.

For the purpose of this Clause 25:

"Trustee Removal Creditors" means, in respect of Trustee Removal Debt:

- (a) for so long as any Class A Bonds remain outstanding, the holders of such Class or Sub-Class of Class A Bonds; or
- (b) if there are no Class A Bonds then outstanding and for so long as any Class B Bonds remain outstanding, the holders of the Class B Bonds; and

"Trustee Removal Debt" means:

- (a) for so long as any Class A Bonds remain outstanding, the Principal Amount Outstanding of the Class A Bonds; or
- (b) if there are no Class A Bonds then outstanding and for so long as any Class B Bonds remain outstanding, the Principal Amount Outstanding of the Class B Bonds.

26. **BOND TRUSTEE'S POWERS TO BE ADDITIONAL**

The powers conferred upon the Bond Trustee by this Bond Trust Deed and the other Finance Documents shall be in addition to any powers which may from time to time be vested in the Bond Trustee by the general law or as a holder of any of the Bonds, Receipts or Coupons.

27. **NEW GUARANTORS**

27.1 **New Guarantor**

If the Programme Issuer wishes any person who is a Permitted Subsidiary to become a Guarantor under this Bond Trust Deed, the Programme Issuer shall notify the Bond Trustee in writing.

27.2 **Accession of Guarantor**

On the relevant Accession Date, the Programme Issuer and the proposed Guarantor shall deliver to the Bond Trustee, an accession memorandum (in or substantially in the form set out in the Schedule 5 (*Form of Accession Memorandum - Guarantor*) to this Bond Trust Deed which, for the purposes of this Clause 27 shall be an "**Accession Memorandum**") executed by the proposed Guarantor, together with a deed of accession substantially in the form set out in Schedule 6 to the Security Agreement executed in accordance with the terms of the Security Agreement (the "**Security**

Accession Memorandum"), supported by a legal opinion as to due incorporation, capacity, due authorisation and the legal, valid and binding effect of the Accession Memorandum and the Security Accession Memorandum. The Bond Trustee shall promptly execute the Accession Memorandum on such Accession Date.

27.3 Notices of Accessions

Promptly following the execution by the Bond Trustee of a duly completed and executed Accession Memorandum and Security Accession Memorandum in respect of a proposed Guarantor, the Programme Issuer shall give notice thereof to the existing Guarantors, the Security Trustee and the Bondholders.

27.4 Effectiveness of Accession

It is hereby agreed by the parties to this Bond Trust Deed that any such Accession Memorandum delivered pursuant to Clause 27.2 (*Accession of Guarantor*) shall take effect upon delivery to the Bond Trustee. The Bond Trustee shall not be responsible for reviewing the terms of such accession nor for considering the relationship between the acceding Guarantor and any existing Guarantor.

27.5 Discharge of Obligations

If the Programme Issuer ceases to be under any actual or contingent liability to any existing Guarantor under any Finance Documents and if such Guarantor has no outstanding liabilities under any Finance Document, such Guarantor shall cease to be a Guarantor under this Bond Trust Deed.

28. NON-PETITION

Neither the Bond Trustee nor the Bondholders may institute against, or join any person in instituting against, the Programme Issuer any bankruptcy, winding up, reorganisation, arrangement, insolvency or liquidation proceeding (except for the appointment of a receiver and manager pursuant to the terms of the Security Agreement and subject to the STID) or other proceeding under any similar law for so long as any Bonds are outstanding or for two years and a day after the latest Maturity Date on which any bond of any Series is due to mature. This Clause 28 shall survive any termination of this Bond Trust Deed.

29. NOTICES

Any notice or demand to the Programme Issuer, the Guarantors or the Bond Trustee to be given, made or served for any purposes under this Bond Trust Deed shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas), facsimile or electronic communication or by delivering it by hand as follows:

to the Programme Issuer and/or the Guarantors c/o Affinity Water Limited

Tamblin Way
Hatfield
Hertfordshire
AL10 9EZ
United Kingdom

Attention: Company Secretary
Email: tim.monod@affinitywater.co.uk
(with, in the case of any notice or demand to be given to, made or served on the Programme Issuer, copies to the Guarantors)

to the Bond Trustee:

Winchester House
1 Great Winchester Street
London EC2N 2DB

Attention: Managing Director (TSS-SFS)
Facsimile No: +44(0)20 7547 5919
Email: abs.mbs.london@list.db.com

or to such other address facsimile number or electronic address as shall have been notified (in accordance with this Clause 29) to the other parties to this Bond Trust Deed and any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served three days in the case of inland post or seven days in the case of overseas post after despatch. Any notice or demand sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served 24 hours after the time of despatch **provided that** in the case of a notice or demand given by facsimile transmission such notice or demand shall forthwith be confirmed by post. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice or demand given by facsimile transmission. Any notice or demand sent by electronic communication as aforesaid shall be deemed to have been given, made or served when the relevant receipt of such communication being read is given or where no receipt is requested by the sender at the time of sending, provided that no delivery failure notification is received by the sender, within 24 hours of sending such communication **provided that**, any communication which is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non business day in the place of receipt shall be deemed to take effect on the next following business day in such place.

30. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Bond Trust Deed or any trust deed supplemental to it has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Bond Trust Deed or any trust deed supplemental to it but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

31. COUNTERPARTS

This Bond Trust Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Bond Trust Deed.

32. GOVERNING LAW

This Deed and all non-contractual obligations arising out of or in connection with it are governed by English law.

33. ENFORCEMENT

33.1 Jurisdiction of English Courts

33.1.1 The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) or the consequences of its nullity.

33.1.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

33.1.3 This Clause 33.1 is for the benefit of the Bond Trustee. As a result and notwithstanding sub-clause 33.1.1, it does not prevent the Bond Trustee from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Bond Trustee may take concurrent Proceedings in any number of jurisdictions.

33.2 Service of Process

33.2.1 The Programme Issuer irrevocably appoints AWL as its agent under this Deed for service of process in any Proceedings before the English courts.

33.2.2 If AWL person appointed as process agent is unable for any reason to act as agent for the Programme Issuer for service of process, the Programme Issuer must immediately appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

33.2.3 The Programme Issuer and AWL agrees that failure by a process agent to notify the Programme Issuer of any process will not invalidate the relevant Proceedings.

33.2.4 This Clause 33.2 does not affect any other method of service allowed by law.

33.3 **Waiver of immunity**

Each of the Programme Issuer and the Guarantors irrevocably and unconditionally:

33.3.1 agrees not to claim any immunity from proceedings brought by the Security Trustee or the Bond Trustee against it in relation to this Bond Trust Deed and to ensure that no such claim is made on its behalf;

33.3.2 consents generally to the giving of any relief or the issue of any process in connection with those proceedings; and

33.3.3 waives all rights of immunity in respect of it or its assets.

34. **EXECUTION**

The parties have executed this Bond Trust Deed as a deed and intend to deliver and do deliver this Bond Trust Deed on the date stated at the beginning of this Bond Trust Deed.

SCHEDULE 1 TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the terms and conditions which (subject to the provisions of the relevant Final Terms or Drawdown Prospectus (as defined below) and, save for the italicised paragraphs) will be incorporated by reference into each Global Bond (as defined below) representing Bonds (as defined below) in bearer form, Bonds in definitive form (if any) issued in exchange for the Global Bond(s) representing Bonds in bearer form, each Registered Bond (as defined below) in global form (a "**Registered Global Bond**") representing Bonds in registered form and each Registered Bond in definitive form (a "**Definitive Registered Bond**") representing Bonds in registered form (only if such incorporation by reference is permitted by the rules of the relevant Stock Exchange and agreed by the Programme Issuer). If such incorporation by reference is not so permitted and agreed, each Bond in bearer form and each Definitive Registered Bond representing Bonds in registered form will have endorsed thereon or attached thereto such text (as so completed, amended, varied or supplemented). Further information with respect to each Tranche (as defined below) of Bonds will be given in the relevant Final Terms or Drawdown Prospectus which will provide for those aspects of these Conditions which are applicable to such Tranche (as defined below) of Bonds and endorsement and, in the case of all Sub-Classes (as defined below), the terms of the relevant advance under the relevant Programme Issuer/AWL Loan Agreement. References in the Conditions to "**Bonds**" are, as the context requires, references to the Bonds of one Sub-Class only, not to all Bonds which may be issued under the Programme.*

Affinity Water Programme Finance Limited (the "**Programme Issuer**") has established a guaranteed bond programme (the "**Programme**") for the issuance of up to £2,500,000,000 guaranteed bonds (the "**Bonds**"). Bonds issued under the Programme on a particular Issue Date comprise a Series (a "**Series**"), and each Series comprises one or more Classes of Bonds (each a "**Class**"). Each Class may comprise one or more sub-classes (each a "**Sub-Class**") and each Sub-Class comprising one or more tranches (each a "**Tranche**").

Bonds issued by the Programme Issuer will be designated as "**Class A Bonds**" or "**Class B Bonds**" and will represent "**Class A Debt**". Each Sub-Class will be denominated in different currencies or will have different interest rates, maturity dates or other terms. Bonds of any Class may be fixed rate bonds ("**Fixed Rate Bonds**"), floating rate bonds ("**Floating Rate Bonds**"), index-linked bonds ("**Indexed Bonds**") or instalment bonds ("**Instalment Bonds**") depending on the method of calculating interest payable in respect of such Bonds and may be denominated in sterling, euro, U.S. dollars or in other currencies subject to compliance with applicable law.

The terms and conditions applicable to any particular Sub-Class of Bonds are these terms and conditions ("**Conditions**") completed by a set of final terms in relation to such Sub-Class (a "**Final Terms**") or a drawdown prospectus (a "**Drawdown Prospectus**"). In the event of any inconsistency between these Conditions and the relevant Final Terms or Drawdown Prospectus, the relevant Final Terms or Drawdown Prospectus (as applicable) shall prevail.

Reference to "**Final Terms**" or "**Drawdown Prospectus**" is to the Final Terms or, as the case may be, Drawdown Prospectus (or the relevant provisions thereof) applicable to the Bonds.

The Bonds will be subject to and will have the benefit of a trust deed dated the Closing Date (as defined below) (as amended, supplemented, restated and/or novated from time to time, the "**Bond Trust Deed**") between, amongst others, the Programme Issuer and Deutsche Trustee

Company Limited as trustee (the "**Bond Trustee**", which expression includes the trustee or trustees for the time being of the Bond Trust Deed).

The Bonds will have the benefit (to the extent applicable) of an agency agreement (as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") dated the Closing Date (to which the Programme Issuer, the Bond Trustee, the Principal Paying Agent and the other Paying Agents (in the case of Bearer Bonds) or the Transfer Agents and the Registrar (in the case of Registered Bonds) are party). As used herein, each of "**Principal Paying Agent**", "**Paying Agents**", "**Agent Bank**", "**Transfer Agents**" and/or "**Registrar**" means, in relation to the Bonds, the persons specified in the Agency Agreement as the Principal Paying Agent, Paying Agents, Agent Bank, Transfer Agents and/or Registrar, respectively, and, in each case, any successor to such person in such capacity. The Bonds may also have the benefit (to the extent applicable) of a calculation agency agreement (in the form or substantially in the form of Schedule 1 to the Agency Agreement, the "**Calculation Agency Agreement**") between, *inter alios*, the Programme Issuer and any calculation agent appointed by the Programme Issuer as calculation agent (the "**Calculation Agent**").

On the date of issue of the first Class and/or Sub-Class of Bonds under the Programme (the "**Closing Date**"), the Programme Issuer will enter into a security agreement (the "**Security Agreement**") with Deutsche Trustee Company Limited as security trustee (the "**Security Trustee**"), pursuant to which the Programme Issuer, the Existing Issuer, AWL and AWHL will grant certain fixed and floating charge security (the "**Security**") to the Security Trustee for itself and on behalf of the Bond Trustee (for itself and on behalf of the Bondholders), the Bondholders, the Programme Issuer, the Existing Issuer, AWL, each Liquidity Facility Provider, each Finance Lessor, the Hedging Counterparties, the Liquidity Facility Agents, each Authorised Credit Provider (as defined below), the Senior Facilities Agent, the Senior Facilities Arrangers, each Agent, the Account Bank, the Cash Manager (other than when the Cash Manager is AWL), the Standstill Cash Manager and any Additional Secured Creditors (each as defined therein) (together with the Security Trustee, the "**Secured Creditors**"). On the Closing Date, the Programme Issuer will enter into a security trust and intercreditor deed (the "**STID**") with, among others, the Security Trustee and the other Secured Creditors and pursuant to which the Security Trustee holds the Security on trust for itself and the other Secured Creditors and the Secured Creditors will agree to certain intercreditor arrangements.

The Programme Issuer will enter into a Dealership Agreement to be dated on or about the date of this Prospectus (as may be amended, supplemented, restated and/or novated from time to time, the "**Dealership Agreement**") with the dealers named therein (the "**Dealers**") in respect of the Programme, pursuant to which any of the Dealers may enter into a subscription agreement in relation to each Sub-Class of Bonds issued by the Programme Issuer, and pursuant to which the Dealers have agreed to subscribe for the relevant Sub-Class of Bonds. In any subscription agreement relating to a Sub-Class of Bonds, any of the Dealers may agree to procure subscribers to subscribe for the relevant Sub-Class of Bonds.

On the Closing Date, the Programme Issuer will enter into a common terms agreement (the "**Common Terms Agreement**") with, among others, the Security Trustee, pursuant to which the Programme Issuer, the Existing Issuer, AWL and AWHL makes certain representations, warranties and covenants and which sets out in Schedule 6 (*Events of Default*) thereof the Events of Default (as defined therein) in relation to the Bonds.

The Programme Issuer, the Existing Issuer or AWL may enter into liquidity facility agreements (together, the "**DSR Liquidity Facility Agreements**") with certain liquidity

facility providers (together, the "**DSR Liquidity Facility Providers**") pursuant to which the DSR Liquidity Facility Providers agree to make certain facilities (the "**DSR Liquidity Facilities**") available to meet debt service liquidity shortfalls.

AWL may enter into certain credit facilities (together with the Working Capital Facility, the Capital Expenditure Facility, the DSR Liquidity Facilities, the O&M Reserve Facilities and any other facilities entered into by AWL from time to time, the "**Authorised Credit Facilities**") with certain lenders (together with the lenders in respect of other Authorised Credit Facilities, the "**Authorised Credit Providers**"), pursuant to which the Authorised Credit Providers agree to make certain facilities available to AWL for the purpose of funding certain working capital, capital expenditure and other expenses of the Financing Group.

AWL and/or the Programme Issuer and/or the Existing Issuer may enter into certain currency, index linked and interest rate hedging agreements (together, the "**Hedging Agreements**") with certain Hedging Counterparties (together the "**Hedging Counterparties**") in respect of certain Sub-Classes of Bonds and Authorised Credit Facilities, pursuant to which the Programme Issuer, the Existing Issuer, AWL, as the case may be, hedges certain of its currency, index linked and interest rate obligations.

The Bond Trust Deed, the Bonds (including the applicable Final Terms or Drawdown Prospectus), the Existing Issuer Bond Trust Deed, the Existing Issuer Bonds, the Security Agreement, the STID (the STID, the Security Agreement and any other documentation evidencing or creating security over any asset of an Obligor to a Secured Creditor under the Finance Documents being together the "**Security Documents**"), the Finance Lease Documents, the Agency Agreement, the Liquidity Facility Agreements, the Hedging Agreements, the Programme Issuer/AWL Loan Agreements, the Existing Issuer/AWL Loan Agreements, the CTA, the CP Agreement, the Existing Authorised Credit Facilities, any other Authorised Credit Facilities, the master definitions agreement between, among others, the Programme Issuer and the Security Trustee dated the Closing Date and amended from time to time (the "**Master Definitions Agreement**"), the account bank agreement between, among others, the account bank, the Programme Issuer and the Security Trustee (the "**Account Bank Agreement**") and the Tax Deed of Covenant will be, in relation to the Bonds, (and together with each other agreement or instrument between AWL and the Programme Issuer or the Existing Issuer (as applicable) and an Additional Secured Creditor designated as a Finance Document by the Transaction Agent, the Security Trustee and such Additional Secured Creditor in the Accession Memorandum of such Additional Secured Creditor) together referred to as the "**Finance Documents**".

Terms not defined in these Conditions have the meaning set out in the Master Definitions Agreement.

Certain statements in these Conditions are summaries of the detailed provisions appearing on the face of the Bonds (which expression shall include the body thereof), in the relevant Final Terms or Drawdown Prospectus or in the Bond Trust Deed, the Security Agreement or the STID. Copies of, *inter alia*, the Finance Documents are available for inspection during normal business hours at the specified offices of the Principal Paying Agent (in the case of bearer Bonds) or the specified offices of the Transfer Agents and the Registrar (in the case of registered Bonds), save that, if the Bond is an unlisted Bond of any Sub-Class, the applicable Final Terms or Drawdown Prospectus will only be obtainable by a Bondholder holding one or more unlisted Bonds of that Sub-Class and such Bondholder must provide evidence

satisfactory to the Programme Issuer and the relevant Agent as to its holding of such Bonds and identity.

The Bondholders (as defined below) will be entitled to the benefit of, will be bound by, will be deemed to have notice of, all the provisions of the Bond Trust Deed, the STID, the Security Agreement, the CTA and the relevant Final Terms or Drawdown Prospectus and to have notice of those provisions of the Agency Agreement and the other Finance Documents applicable to them.

Any reference in these Conditions to a matter being "specified" means as the same may be specified in the relevant Final Terms or Drawdown Prospectus.

1. **Form, Denomination and Title**

(a) *Form and Denomination*

The Bonds are in bearer form ("**Bearer Bonds**") or in registered form ("**Registered Bonds**") as specified in the applicable Final Terms or Drawdown Prospectus and, serially numbered in the Specified Denomination(s) provided that in the case of any Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Bonds). Bonds of one Specified Denomination may not be exchanged for Bonds of another Specified Denomination and Registered Bonds may not be exchanged for Bearer Bonds and vice versa. References in these Conditions to "Bonds" include Bearer Bonds and Registered Bonds and all Sub-Classes, Classes, Tranches and Series.

Interest-bearing Bearer Bonds are issued with Coupons (as defined below) (and, where appropriate, a Talon, (as defined below)) attached. After all the Coupons attached to, or issued in respect of, any Bearer Bond which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and (if necessary) one further Talon will be issued against presentation of the relevant Talon at the specified office of any Paying Agent. Any Bearer Bond the principal amount of which is redeemable in instalments may be issued with one or more Receipts (as defined below) (and, where appropriate, a Talon) attached thereto. After all the Receipts attached to, or issued in respect of, any Instalment Bond which was issued with a Talon have matured, a receipt sheet comprising further Receipts (other than Receipts which would be void) and (if necessary) a further Talon will be issued against presentation of the relevant Talon at the specified office of any Paying Agent.

(b) *Title*

Title to Bearer Bonds, Coupons, Receipts and Talons (if any) passes by delivery. Title to Registered Bonds passes by registration in the register (the "**Register**"), which the Programme Issuer shall procure to be kept by the Registrar.

In these Conditions, subject as provided below, each "**Bondholder**" (in relation to a Bond, Coupon, Receipt or Talon), "**holder**" and "**Holder**" means (i) in relation to a

Bearer Bond, the bearer of any Bearer Bond, Coupon, Receipt or Talon (as the case may be) and (ii) in relation to Registered Bond, the person in whose name a Registered Bond is registered, as the case may be. The expressions "**Bondholder**", "**holder**" and "**Holder**" include the holders of instalment receipts (which, in relation to Class A Bonds will be "**Class A Receipts**", in relation to Class B Bonds, "**Class B Receipts**" and together, the "**Receipts**"), appertaining to the payment of principal by instalments (if any) attached to such Bonds in bearer form (the "**Receiptholders**"), the holders of the coupons (which, in relation to Class A Bonds will be "**Class A Coupons**", in relation to Class B Bonds, "**Class B Coupons**" and together, the "**Coupons**") (if any) appertaining to interest bearing Bonds in bearer form (the "**Couponholders**"), and the expression Couponholders or Receiptholders includes the holders of talons in relation to Coupons or Receipts as applicable, (which, in relation to Class A Bonds will be "**Class A Talons**", in relation to Class B Bonds, "**Class B Talons**" and together, the "**Talons**") (if any) for further coupons or receipts, as applicable attached to such Bonds (the "**Talontholders**").

The bearer of any Bearer Bond, Coupon, Receipt or Talon and the registered holder of any Registered Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the relevant Bond, or its theft or loss or any express or constructive notice of any claim by any other person of any interest therein other than, in the case of a Registered Bond, a duly executed transfer of such Bond in the form endorsed on the Bond Certificate in respect thereof) and no person will be liable for so treating the holder.

Bonds which are represented by a Global Bond or Registered Global Bond will be transferable only in accordance with the rules and procedures for the time being of Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") or Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**"), as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or Drawdown Prospectus or as may otherwise be approved by the Programme Issuer, the Principal Paying Agent and the Bond Trustee.

(c) *Fungible Issues of Bonds comprising a Sub-Class*

A Sub-Class of Bonds may comprise a number of issues in addition to the initial Tranche of such Sub-Class, each of which will be issued on identical terms save for the first Interest Payment Date, the Issue Date and the Issue Price. Such further issues of the same Sub-Class will be consolidated and form a Series with the prior issues of that Sub-Class.

2. **Exchanges of Bearer Bonds for Registered Bonds and Transfers of Registered Bonds**

(a) *Exchange of Bonds*

Subject to Condition 2(e) (*Closed Periods*), Bearer Bonds may, if so specified in the relevant Final Terms or Drawdown Prospectus, be exchanged at the expense of the transferor Bondholder for the same aggregate principal amount of Registered Bonds

at the request in writing of the relevant Bondholder and upon surrender of the Bearer Bond to be exchanged together with all unmatured Coupons, Receipts and Talons (if any) relating to it at the specified office of the Registrar or any Transfer Agent or Paying Agent. Where, however, a Bearer Bond is surrendered for exchange after the Record Date (as defined below) for any payment of interest or Interest Amount (as defined below), the Coupon in respect of that payment of interest or Interest Amount need not be surrendered with it.

Registered Bonds may not be exchanged for Bearer Bonds.

(b) *Transfer of Registered Bonds*

A Registered Bond may be transferred upon the surrender of the relevant Definitive Registered Bond, together with the form of transfer endorsed on it duly completed and executed, at the specified office of any Transfer Agent or the Registrar. However, a Registered Bond may not be transferred unless (i) the principal amount of Registered Bonds proposed to be transferred; and (ii) the principal amount of the Registered Bonds proposed to be the principal amount of the balance of Registered Bonds to be retained by the relevant transferor are, in each case, Specified Denominations (as specified in the relevant Final Terms or Drawdown Prospectus). In the case of a transfer of part only of a holding of Registered Bonds represented by a Definitive Registered Bond, a new Definitive Registered Bond in respect of the balance not transferred will be issued to the transferor within three business days (in the place of the specified office of the Transfer Agent or the Registrar) of receipt of such form of transfer.

(c) *Delivery of New Definitive Registered Bonds*

Each new Definitive Registered Bond to be issued upon exchange of Bearer Bonds or transfer of Registered Bonds will, within three business days (in the place of the specified office of the Transfer Agent or the Registrar) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or the Registrar stipulated in the request for exchange or form of transfer, or be mailed at the risk of the Bondholder entitled to the Definitive Registered Bond to such address as may be specified in such request or form of transfer. For these purposes, a form of transfer or request for exchange received by the Registrar after the Record Date (as defined below) in respect of any payment due in respect of Registered Bonds shall be deemed not to be effectively received by the Registrar until the Business Day (as defined below) following the due date for such payment.

(d) *Exchange at the Expense of Transferor Bondholder*

Registration of Bonds on exchange or transfer will be effected at the expense of the transferor Bondholder by or on behalf of the Programme Issuer, the Transfer Agent or the Registrar, and upon payment of (or the giving of such indemnity as the Transfer Agent or the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

(e) *Closed Periods*

No transfer of a Registered Bond may be registered, nor any exchange of a Bearer Bond for a Registered Bond may occur during the period of 15 days ending on the due date for any payment of principal, interest, Interest Amount (as defined below) or Redemption Amount (as defined below) on that Bond.

3. **Status of Bonds**

(a) *Status of Class A Bonds*

This Condition 3(a) is applicable only in relation to Bonds which are specified as being a Sub-Class of Class A Bonds.

The Class A Bonds, Class A Coupons, Class A Talons and Class A Receipts (if any) are direct and unconditional obligations of the Programme Issuer, are secured in the manner described in Condition 4 (*Security, Priority and Relationship with Secured Creditors*) and rank *pari passu* without any preference among themselves.

(b) *Status of Class B Bonds*

This Condition 3(b) is applicable only in relation to Bonds issued by the Programme Issuer which are specified as being a Sub-Class of Class B Bonds.

The Class B Bonds, Class B Coupons, Class B Talons and Class B Receipts (if any) are direct and unconditional obligations of the Programme Issuer, are secured in the manner described in Condition 4 (*Security, Priority and Relationship with Secured Creditors*), are subordinated to the Class A Bonds, Class A Coupons, Class A Receipts and Class A Talons (if any) and rank *pari passu* without any preference among themselves.

(c) *Security Trustee not Responsible for Monitoring Compliance*

Subject to certain exceptions, when granting any consent or waiver or exercising any power, trust, authority or discretion relating to or contained in the STID, the other Finance Documents or any Ancillary Documents, the Security Trustee will act as directed, requested or instructed by or subject to the agreement of the Majority Creditors (provided that the relevant Quorum Requirement has been met) or, in particular cases, other specified parties and in accordance with the provisions of the STID.

The Security Trustee shall not be responsible for monitoring compliance by AWL with any of its obligations under the Finance Documents to which it is a party except by means of receipt from AWL of certificates of compliance which AWL has covenanted to deliver to the Security Trustee pursuant to the provisions of the CTA and which will state among other things, that no Default is outstanding. The Security Trustee shall be entitled to rely on certificates absolutely unless it is instructed otherwise by the Majority Creditors (provided that the relevant Quorum Requirement has been met) in which case it will be bound to act on such instructions in accordance with the STID (subject to the Security Trustee being indemnified and/or prefunded and/or secured to its satisfaction). The Security Trustee is not responsible for monitoring compliance by any of the parties with their respective obligations under

the Finance Documents. The Security Trustee may call for and is at liberty to accept as sufficient evidence a certificate signed by any two Authorised Signatories of any Obligor or any other party to any Finance Document to the effect that any particular dealing, transaction, step or thing is in the opinion of the persons so certifying suitable or expedient or as to any other fact or matter upon which the Security Trustee may require to be satisfied. The Security Trustee is in no way bound to call for further evidence or be responsible for any loss that may be occasioned by acting on any such certificate although the same may contain some error or is not authentic. The Security Trustee is entitled to rely upon any certificate believed by it to be genuine and will not be liable for so acting.

All Bondholders shall (on providing sufficient evidence of identity) be entitled to view a copy of the Periodic Information as and when available to the Security Trustee pursuant to the terms of the CTA and to view a copy of the unaudited interim accounts and audited annual accounts of AWL within 60 days of 30 September and 120 days of 31 of March of each year, respectively.

In addition, the Transaction Agent will covenant to provide the Security Trustee with certain additional information relating to the Programme Issuer and the Guarantors (as set out in Schedule 4, Part 1 "*Information Covenants*" of the CTA). Such information may (and in the case of Investor Reports, must) be published by the relevant Guarantor or the Programme Issuer (or by the Transaction Agent on its behalf) on a website designated by the Transaction Agent. Pursuant to the CTA, the Transaction Agent will designate a website for these purposes on or prior to the Closing Date.

In the event the relevant website cannot be accessed for technical reasons or is non-operational or is infected by an electronic virus or function software for a period of five consecutive days, all such information set out above which would otherwise be available will be delivered to the Security Trustee in paper form for onward delivery to the Bond Trustee and the Agents. Copies of such information will be available for inspection at the specified office of the Agents and the Bond Trustee.

4. **Security, Priority and Relationship with Secured Creditors**

(a) *Guarantee and Security*

Each of AWL, Affinity Water Holdings Limited ("**AWHL**") and the Existing Issuer will guarantee and secure the obligations of the Programme Issuer in respect of the Bonds pursuant to a security agreement (the "**Security Agreement**") that will be entered into by each Obligor in favour of the Security Trustee over the entire property, assets, rights and undertaking (subject to certain specified exceptions) of each such Obligor (the "**Security**"), in the case of AWL, to the extent permitted by the Act and the Instrument of Appointment (as defined below). There is no intention to create further security for the benefit of the holders of Bonds that may be issued after the Closing Date. All Bonds issued by the Programme Issuer under the Programme and any additional creditor of the Programme Issuer acceding to the STID will share in the Security constituted by the Security Documents.

In these Conditions:

the "**Act**" means the United Kingdom Water Industry Act 1991 (as amended);

"Instrument of Appointment" means the Instrument of Appointment dated August 1989 under sections 11 and 14 of the Water Act 1989 (as in effect on 1 September 1989) (as amended/varied from time to time and as appended to the variation instrument dated 20 July 2012 coming into effect on 27 July 2012 at 23:59, as amended from time to time) under which the Secretary of State for the Environment appointed AWL as a water undertaker under the WIA for the areas described in the Instrument of Appointment; and

"Obligors" means the Programme Issuer, the Existing Issuer, AWL and AWHL, together with any other entity which accedes to the Finance Documents as an Obligor in accordance with the terms thereof (including any Permitted Subsidiary), and **"Obligor"** means any of them.

(b) *Relationship among Bondholders and with other Secured Creditors*

The Bond Trust Deed will contain provisions detailing the Bond Trustee's obligations to consider the interests of the Bondholders as regards all powers, trusts and authorities, duties and discretions of the Bond Trustee (except where expressly provided or otherwise referred to in Condition 16 (*Bond Trustee Protections*)).

The STID will provide that the Security Trustee (except in relation to Reserved Matters and Entrenched Rights and subject to certain exceptions) will act on instructions of the Majority Creditors (subject to the Security Trustee being indemnified and/or prefunded and/or secured to its satisfaction) (provided that the relevant Quorum Requirement has been met) (including the Bond Trustee as trustee for and representative of the holders of each Sub-Class of Bonds) and, when so doing, the Security Trustee is not required to have regard to the interests of any Secured Creditor (including the Bond Trustee as trustee for and representative of the Bondholders or any individual Bondholder) in relation to the exercise of such rights and, consequently, has no liability to the Bondholders as a consequence of so acting.

(c) *Enforceable Security*

In the event of the Security becoming enforceable as provided in the STID, the Security Trustee shall, if instructed by the Majority Creditors (provided that the relevant Quorum Requirement has been met), enforce its rights with respect to the Security in accordance with the instructions of the Majority Creditors, but without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any particular Bondholder, provided that the Security Trustee shall not be obliged to take any action unless it is indemnified and/or secured and/or prefunded to its satisfaction.

(d) *Application After Enforcement*

After enforcement of the Security, the Security Trustee shall (to the extent that such funds are available) use funds standing to the credit of the Accounts (other than the Excluded Accounts) to make payments in accordance with the Payment Priorities (as will be set out in the CTA).

(e) *Bond Trustee and Security Trustee not liable for security*

The Bond Trustee and the Security Trustee will not be liable for any failure to make the usual investigations or any investigations which might be made by a security holder in relation to the property which is the subject of the Security, and shall not be bound to enquire into or be liable for any defect or failure in the right or title of the relevant Obligor to the Security, whether such defect or failure was known to the Bond Trustee or the Security Trustee or might have been discovered upon examination or enquiry or whether capable of remedy or not, nor will it have any liability for the enforceability of the Security created under the Security Documents whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Security. The Bond Trustee and the Security Trustee have no responsibility for the value of any such Security.

5. **Programme Issuer's Covenants**

So long as any of the Bonds remain Outstanding, the Programme Issuer (together with other Obligors) will agree to comply with the covenants as set out in Schedule 4 (*Covenants*) of the CTA.

The Bond Trustee shall be entitled to rely absolutely on a certificate signed by two directors of the Programme Issuer in relation to any matter relating to such covenants and to accept without liability any such certificate as sufficient evidence of the relevant fact or matter stated in such certificate.

6. **Interest and other Calculations**

(a) *Interest on Fixed Rate Bonds and Indexed Bonds*

This Condition 6(a) is applicable only if the relevant Final Terms or Drawdown Prospectus specifies the Bonds as Fixed Rate Bonds or Indexed Bonds.

Each Fixed Rate Bond and Indexed Bond bears interest on its Principal Amount Outstanding and, if it is an Indexed Bond, adjusted for indexation in accordance with Condition 7 (*Indexation*)) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Interest Rate(s). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

The amount of interest payable in respect of each Fixed Rate Bond and Indexed Bond shall be the amount of interest payable per Calculation Amount multiplied by the Principal Amount Outstanding of such Bond and divided by the Calculation Amount and rounding the resultant figure to the nearest unit of the Relevant Currency in accordance with Condition 6(d) (*Rounding*).

The amount of interest payable per Calculation Amount in respect of any Fixed Rate Bond and Indexed Bond for any Fixed Interest Period shall be equal to the product of the Interest Rate, the Calculation Amount specified, and the Day Count Fraction for such Fixed Interest Period and rounding the resultant figure to the nearest unit of the Relevant Currency in accordance with Condition 6(d) (*Rounding*), unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such

Bond for such Fixed Interest Period shall equal such Interest Amount (or be calculated in accordance with such formula).

Where any Interest Period comprises two or more Fixed Interest Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Fixed Interest Periods.

If interest is required to be calculated for a period other than a Fixed Interest Period or if no Fixed Coupon Amount is specified in the applicable Final Terms or Drawdown Prospectus, such interest payable per Calculation Amount shall be calculated (i) in the case of Bonds other than Indexed Bonds, by applying the Interest Rate to the Calculation Amount specified, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest unit of the Relevant Currency in accordance with Condition 6(d) (*Rounding*) and (ii) in the case of Indexed Bonds, on an actual/actual basis in line with the method used by the Debt Management Office for the United Kingdom Index-Linked Gilt Edged Market.

(b) *Interest on Floating Rate Bonds*

This Condition 6(b) is applicable only if the relevant Final Terms or Drawdown Prospectus specifies the Bonds as Floating Rate Bonds.

(c) *Interest Payment Dates*

Each Floating Rate Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms or Drawdown Prospectus; or
- (B) if no Specified Interest Payment Date(s) is/are expressly specified in the applicable Final Terms or Drawdown Prospectus, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms or Drawdown Prospectus after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period.

The amount of interest payable in respect of each Floating Rate Bond shall be the amount of interest payable per Calculation Amount multiplied by the Principal Amount Outstanding of such Bond and divided by the Calculation Amount and rounding the resultant figure to the nearest unit of the Relevant Currency in accordance with Condition 6(d) (*Rounding*).

The amount of interest payable per Calculation Amount shall be determined in accordance with paragraph (iii) below.

(d) *Interest Rate(s)*

The Interest Rate(s) payable from time to time in respect of the Floating Rate Bonds will be determined in the manner specified in the applicable Final Terms or Drawdown Prospectus.

(A) If "**Screen Rate Determination**" is specified in the relevant Final Terms or Drawdown Prospectus as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Bonds for each Interest Period will be determined by the Agent Bank (or the Calculation Agent, if applicable) on the following basis:

(1) if the Page (as defined below) displays a rate which is a composite quotation or customarily supplied by one entity, the Agent Bank (or the Calculation Agent, if applicable) will determine the Relevant Rate (as defined in Condition 6(1) (*Definitions*));

(2) in any other case, the Agent Bank (or the Calculation Agent, if applicable) will determine the arithmetic mean of the Relevant Rates (as defined in Condition 6(1) (*Definitions*)) which appear on the Page as of the Relevant Time (as defined in Condition 6(1) (*Definitions*)) on the relevant Interest Determination Date;

(3) if, in the case of (i) above, such rate does not appear on that Page or, in the case of (ii) above, fewer than two such rates appear on that Page or if, in either case, the Page is unavailable, the Agent Bank (or the Calculation Agent, if applicable) will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks (as defined in Condition 6(1) (*Definitions*)) to provide a quotation of the Relevant Rate at approximately the Relevant Time on the relevant Interest Determination Date to prime banks in the Relevant Financial Centre (as defined in Condition 6(1) (*Definitions*)) interbank market (or, if appropriate, money market) in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(4) if fewer than two such quotations are provided as requested in Condition 6(b)(ii)(3), the Agent Bank (or the Calculation Agent, if applicable) will determine the arithmetic mean of the rates (being the rates nearest to the Relevant Rate as determined by the Agent Bank (or the Calculation Agent, if applicable)) quoted by the Reference Banks at approximately 11.00 a.m. (local time in the Relevant Financial Centre of the Relevant Currency) on the first day of the relevant Interest Period (as defined in Condition 6(1) (*Definitions*)) for loans in the Relevant Currency to leading European banks for a period equal to the relevant Interest Period and in the Representative Amount (as defined in Condition 6(1) (*Definitions*)),

and the Interest Rate for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined. However, if the Agent Bank is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Bonds in respect of a preceding Interest Period.

- (B) If "**ISDA Determination**" is specified in the relevant Final Terms or Drawdown Prospectus as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate(s) applicable to the Bonds for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Agent Bank (or the Calculation Agent, if applicable) under an interest rate swap transaction if the Agent Bank (or the Calculation Agent, if applicable) were acting as calculation agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (1) Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms or Drawdown Prospectus;
 - (2) the Designated Maturity (as defined in the ISDA Definitions) is the Specified Duration (as defined in Condition 6(1) (*Definitions*)); and
 - (3) the relevant Reset Date (as defined in the ISDA Definitions) is either (1) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period, (2) if the relevant Floating Rate Option is based on EURIBOR, the first day of that Interest Period or (3) in any other case, as specified in the relevant Final Terms or Drawdown Prospectus.

(e) *Calculations*

The amount of interest payable per Calculation Amount in respect of any Floating Rate Bond for each Interest Period shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount specified by the Day Count Fraction (as defined in Condition 6(1) (*Definitions*)) and rounding the resultant figure to the nearest unit of the Relevant Currency (rounded in accordance with Condition 6(d) (*Rounding*)).

(f) *Minimum Interest Rate and/or Maximum Interest Rate*

If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Final Terms or Drawdown Prospectus, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified, as the case may be.

(g) *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified):

- (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- (ii) all figures will be rounded to seven significant figures (with halves being rounded up); and
- (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes, "**unit**" means, with respect to any currency other than euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(h) *Business Day Convention*

If any date referred to in these Conditions or the relevant Final Terms or Drawdown Prospectus is specified to be subject to adjustment in accordance with a Business Day convention and (x) if there is no numerically corresponding day on the calendar month in which such date should occur or (y) such date would otherwise fall on a day which is not a Business Day (as defined in Condition 6(1) (*Definitions*)), then if the Business Day Convention specified in the relevant Final Terms or Drawdown Prospectus is:

- (i) the "**Following Business Day Convention**", such date shall be postponed to the next day which is a Business Day;
- (ii) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or
- (iii) the "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day.

(i) *Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts*

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Agent Bank (or the Calculation Agent, if applicable) may be required to calculate any Redemption Amount or the amount of an instalment of scheduled principal (an "**Instalment Amount**"), obtain any quote or make any determination or calculation, the Agent Bank (or the Calculation Agent, if applicable) will determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period (including, for the avoidance of doubt any applicable Index Ratio to be calculated in accordance with Condition 7(b) (*Application of the Index Ratio*)), calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest

Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount, Principal Amount Outstanding or any Instalment Amount to be notified to, in the case of Bearer Bonds, the Paying Agents or in the case of Registered Bonds, the Registrar, and, in each case, the Bond Trustee, the Programme Issuer, the Bondholders and the London Stock Exchange and each other listing authority, stock exchange and/or quotation system by which the relevant Bonds have then been admitted to listing, trading and/or quotation) as soon as possible after its determination but in no event later than (i) (in case of notification to the London Stock Exchange and each other listing authority, stock exchange and/or quotation system by which the relevant Bonds have then been admitted to listing, trading and/or quotation) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount; or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Sub-Class or Tranche of Bonds are for the time being listed or by which they have been admitted to listing and to the Bondholders in accordance with Condition 17 (*Notices*). If the Bonds become due and payable under Condition 11 (*Events of Default*), the accrued interest and the Interest Rate payable in respect of the Bonds shall nevertheless continue to be calculated as previously provided in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made unless otherwise required by the Bond Trustee. If the Calculation Amount is less than the minimum Specified Denomination, the Agent Bank (or the Calculation Agent, if applicable) may publish only the Calculation Amount and the Interest Amount in respect of a Bond having the minimum Specified Denomination. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Agent Bank (or the Calculation Agent, if applicable) or, as the case may be, the Bond Trustee pursuant to this Condition 6 or Condition 7 (*Indexation*), shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Accrual of Interest*

Interest will cease to accrue on each Bond (or, in the case of the redemption of part only of a Bond, that part only of such Bond) on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (both before and after judgment) at the Interest Rate in the manner provided in this Condition 6 to the Relevant Date (as defined in Condition 6(l) (*Definitions*)).

(k) *Deferral of interest on Class B Bonds*

This Condition 6(h) is applicable only in relation to Bonds issued by the Programme Issuer which are specified as being Class B Bonds.

In the case of interest on Class B Bonds only, if, on any Interest Payment Date prior to the taking of Enforcement Action, there are insufficient funds available to the Programme Issuer (after taking into account any amounts available to be drawn under

any DSR Liquidity Facility or from the Debt Service Reserve Accounts) to pay such accrued interest, the Programme Issuer's liability to pay such accrued interest will be treated as not having fallen due and will be deferred until the earliest of: (i) the next following Interest Payment Date on which the Programme Issuer has, in accordance with the cash management provisions of Schedule 10 (*Cash Management*) of the CTA, sufficient funds available to pay such deferred amounts (including any interest accrued thereon); (ii) the date on which the Class A Debt has been paid in full; and (iii) an Acceleration of Liabilities (other than a Permitted Hedging Termination or a Permitted Lease Termination) and in the case of a Permitted Share Pledge Acceleration only to the extent that there would be sufficient funds available in accordance with the Payment Priorities to pay such deferred interest (including any interest accrued thereon). Interest will accrue on such deferred interest at the rate otherwise payable on unpaid principal of such Class B Bonds.

(l) *Agent Bank, Calculation Agent and Reference Banks*

The Programme Issuer will procure that there shall at all times be an Agent Bank (and a Calculation Agent, if applicable) and four Reference Banks selected by the Programme Issuer acting through the Agent Bank (or the Calculation Agent, if applicable) with offices in the Relevant Financial Centre if provision is made for them in these Conditions applicable to this Bond and for so long as it is Outstanding. If any Reference Bank (acting through its Programme office) is unable or unwilling to continue to act as a Reference Bank, then the Programme Issuer acting through the Agent Bank (or the Calculation Agent, if applicable) will select another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. If the Agent Bank (or the Calculation Agent, if applicable) is unable or unwilling to act as such or if the Agent Bank (or the Calculation Agent, if applicable) fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Programme Issuer will appoint (with the prior written consent of the Bond Trustee) a successor to act as such in its place. The Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

(m) *Determination or Calculation by Bond Trustee*

If the Agent Bank (or the Calculation Agent, if applicable) does not at any time for any reason determine any Interest Rate, Interest Amount, Redemption Amount, Instalment Amount or any other amount to be determined or calculated by it, the Bond Trustee shall (without liability for so doing) determine such Interest Rate, Interest Amount, Redemption Amount, Instalment Amount or other amount as aforesaid at such rate or in such amount as in its absolute discretion (having regard as it shall think fit to the procedures described above, but subject to the terms of the Bond Trust Deed and always subject to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms or Drawdown Prospectus) it shall deem fair and reasonable in all the circumstances or, subject as aforesaid, apply the foregoing provisions of this Condition, with any consequential amendments, to the extent that, in its sole opinion, it can do so and in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in the circumstances, and each such determination or calculation shall be deemed to have been made by the Agent Bank (or the Calculation Agent, if applicable).

(n) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of Condition 6 (*Interest and Other Calculations*) whether by the Principal Paying Agent, the Agent Bank (or the Calculation Agent, if applicable) or, if applicable, any calculation agent, shall (in the absence of wilful default, negligence, bad faith or manifest error) be binding on the Programme Issuer, AWL, AWHL, the Existing Issuer, the Agent Bank, the Bond Trustee, the Principal Paying Agent, the other Agents and all Bondholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Programme Issuer, the Existing Issuer, AWL and AWHL, the Bond Trustee, the Bondholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent, the Agent Bank or, if applicable, any calculation agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(o) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

"Broken Amount" means the amount specified as such in the relevant Final Terms or Drawdown Prospectus;

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in London and each (if any) additional city or cities specified in the relevant Final Terms or Drawdown Prospectus; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the principal financial centre of the Relevant Currency (which in the case of a payment in U.S. Dollars shall be New York) and in each (if any) additional city or cities specified in the relevant Final Terms or Drawdown Prospectus;

"Calculation Amount" has the meaning specified in the relevant Final Terms or Drawdown Prospectus;

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Bond for any period of time (whether or not constituting an Interest Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual (ICMA)"** is specified:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period; and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

- (a) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period; and (2) the number of Determination Periods normally ending in any year; and
- (b) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period; and (2) the number of Determination Periods normally ending in any year

where:

"Determination Period" means the period from and including a Determination Date in any year but excluding the next Determination Date; and

"Determination Date" means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

- (ii) if **"Actual/Actual"** or **"Actual/Actual (ISDA)"** is specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **"Actual/365 (Fixed)"** is specified, the actual number of days in the Calculation Period divided by 365;
- (iv) if **"Actual/360"** is specified, the actual number of days in the Calculation Period divided by 360;
- (v) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows;

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

"**euro**" means the lawful currency of the Participating Member States;

"**EURIBOR**" means the rate for Euro deposits for such period as specified in the relevant Final Terms or Drawdown Prospectus and for each Interest Period thereafter, for Euro deposits for the relevant Interest Period as determined by reference to (1) on the display page designated EURIBOR01 on the Dow Jones Reuters Service (or such other page as may replace that page on that service, or such other service as may be nominated by the Agent Bank as the information vendor, for the purpose of displaying comparable rates) as of the Interest Determination Date or (2) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Agent Bank) as may replace the Dow Jones Reuters Monitor as at or about 11.00 a.m. (Brussels time);

"**Fixed Coupon Amount**" means the amount specified as such in the relevant Final Terms or Drawdown Prospectus;

"**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

"**Interest Amount**" means:

- (i) in respect of a Fixed Interest Period, the amount of interest payable per Calculation Amount for that Fixed Interest Period and which, in the case of Fixed Rate Bonds, and unless otherwise specified, shall mean the Fixed Coupon Amount or Broken Amount specified as being payable on the Interest Payment Date at the end of the Interest Period of which such Fixed Interest Period forms part;
- (ii) in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period; and
- (iii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms or Drawdown Prospectus;

"Interest Determination Date" means, with respect to an Interest Rate and an Interest Period, the date specified as such in the relevant Final Terms or Drawdown Prospectus or, if none is so specified, the day falling two Business Days in London prior to the first day of such Interest Period (or if the Relevant Currency is sterling the first day of such Interest Period) (as adjusted in accordance with any Business Day Convention (as defined herein) specified in the relevant Final Terms or Drawdown Prospectus) or, in the case of Indexed Bonds, the first Business Day on which it is practicable to calculate the Index Ratio applicable to the relevant Calculation Date in accordance with Condition 7(a);

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

"Interest Rate" means the rate of interest payable from time to time in respect of the Bonds and which is either specified as such in, or calculated in accordance with the provisions of, these Conditions and/or the relevant Final Terms or Drawdown Prospectus;

"ISDA Definitions" means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of Bonds of the relevant Sub-Class as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Final Terms or Drawdown Prospectus, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of Bonds of the relevant Sub-Class (as specified in the relevant Final Terms or Drawdown Prospectus) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" means the date specified as such in the relevant Final Terms or Drawdown Prospectus;

"LIBOR" means the rate for Sterling or U.S. dollar (as applicable) deposits for such period as specified in the relevant Final Terms or Drawdown Prospectus and for each Interest Period thereafter, for Sterling or U.S. dollar (as applicable) deposits for the relevant Interest Period as determined by reference to the British Bankers Association LIBOR Rates display as quoted on the Bridge Reuters monitor as Reuters Screen LIBOR01 at 11am London time. If the Reuters Screen LIBOR01 stops providing these quotations, the replacement service for the purposes of displaying this information will be used. If the replacement service stops displaying the information, any page showing this information may be used. If there is more than one service displaying the information, the one approved in writing by the Agent Bank in its sole discretion will be used;

"Margin" means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms or Drawdown Prospectus;

"Maturity Date" means the date specified in the relevant Final Terms or Drawdown Prospectus as the final date on which the principal amount of the Bond is due and payable;

"Maximum Interest Rate" means the rate specified as such in the relevant Final Terms or Drawdown Prospectus;

"Minimum Interest Rate" means the rate specified as such in the relevant Final Terms or Drawdown Prospectus;

"Page" means such page, section, caption, column or other part of a particular information service (including the Reuters Money 3000 Service ("**Reuters**")) as specified in the relevant Final Terms or Drawdown Prospectus as a Relevant Screen Page, and, if such page is unavailable, or such other page, section, caption, column or other part as may replace the same on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying comparable rates or prices;

"Participating Member State" means a member state of the European Community that adopts or has adopted the euro as its lawful currency under the legislation of the European Union for European Monetary Union;

"Principal Amount Outstanding" means, in relation to any Bond, Class and/or Sub-Class of any Bond, the original face value thereof (as adjusted in accordance with the applicable terms and conditions, including in respect of any index-linked or disenfranchisement provisions contained therein) less any repayment of principal made to the holder(s) thereof in respect of such Bond, Class and/or Sub-Class of any Bond.

"Qualifying Secured Creditor" means a Qualifying Class A Creditor or following the repayment in full of the Qualifying Class A Debt, a Qualifying Class B Creditor and "**Qualifying Secured Creditors**" means the Qualifying Class A Creditors or following the repayment in full of the Qualifying Class A Debt, the Qualifying Class B Creditors.

"Redemption Amount" means, the amount provided under Condition 8(b) (*Optional Redemption*), unless otherwise specified in the relevant Final Terms or Drawdown Prospectus;

"Reference Banks" means the institutions specified as such or, if none, four major banks selected by the Agent Bank (or the Calculation Agent, if applicable) in the interbank market (or, if appropriate, money market) which is most closely connected with the Relevant Rate as determined by the Agent Bank (or the Calculation Agent, if applicable), on behalf of the Programme Issuer, in its sole and absolute discretion;

"Relevant Currency" means the currency specified as such or, if none is specified, the currency in which the Bonds are denominated;

"Relevant Date" means the earlier of (a) the date on which all amounts in respect of the Bonds have been paid, and (b) five days after the date on which all of the Principal Amount Outstanding (adjusted in the case of Indexed Bonds in accordance with Condition 7(b) (*Application of Index Ratio*)) has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Bondholders in accordance with Condition 17 (*Notices*);

"Relevant Financial Centre" means, with respect to any Bond, the financial centre specified as such in the relevant Final Terms or Drawdown Prospectus or, if none is so specified, the financial centre with which the Relevant Rate is most closely connected as determined by the Agent Bank (or the Calculation Agent, if applicable);

"Relevant Rate" means the offered rate for a Representative Amount of the Relevant Currency for a period (if applicable) equal to the Specified Duration (or such other rate as shall be specified in the relevant Final Terms or Drawdown Prospectus);

"Relevant Screen Page" means EURIBOR or LIBOR, as applicable;

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or Drawdown Prospectus or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"Representative Amount" means, with respect to any rate to be determined on an Interest Determination Date, the amount specified in the relevant Final Terms or Drawdown Prospectus as such or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time;

"Specified Denomination" means the denomination specified in the relevant Final Terms or Drawdown Prospectus;

"Specified Duration" means, with respect to any Floating Rate (as defined in the ISDA Definitions) to be determined on an Interest Determination Date, the period or duration specified as such in the relevant Final Terms or Drawdown Prospectus or, if none is specified, a period of time equal to the relative Interest Period;

"Specified Interest Payment Date" means the date(s) specified as such in the relevant Final Terms or Drawdown Prospectus;

"Specified Period" means the period(s) specified as such in the relevant Final Terms or Drawdown Prospectus;

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro; and

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer system which utilises a single shared platform and which was launched on 19 November 2007.

7. **Indexation**

This Condition 7 is applicable only if the relevant Final Terms or Drawdown Prospectus specifies the Bonds as Indexed Bonds.

(a) *Definitions*

"**Affiliate**" means in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls directly or indirectly, that person or any entity, directly or indirectly under common control with that person and, for this purpose, "control" means control as defined in the Companies Act;

"**Base Index Figure**" means (subject to Condition 7(c)(i) (*Change in base*)) the base index figure as specified in the relevant Final Terms or Drawdown Prospectus;

"**Calculation Date**" means any date when a payment of interest or, as the case may be, principal falls due;

"**Index**" or "**Index Figure**" means, in relation to any relevant month (as defined in Condition 7(c)(ii) (*Delay in publication of Index*)), subject as provided in Condition 7(c)(i) (*Change in base*), the UK Retail Price Index (RPI) (for all items) published by the Central Statistical Office (January 1987 = 100) or any comparable index which may replace the UK Retail Price Index for the purpose of calculating the amount payable on repayment of the Reference Gilt.

Any reference to the "**Index Figure applicable**" to a particular Calculation Date shall, subject as provided in Condition 7(c) (*Changes in Circumstances Affecting the Index*) and Condition 7(e) (*Cessation of or Fundamental Changes to the Index*) below, and if "3 months lag" is specified in the relevant Final Terms or Drawdown Prospectus, be calculated in accordance with the following formula:

$$\text{IFA} = \text{RPI}_{m-3} + \frac{(\text{Day of Calculation Date} - 1)}{(\text{Days in month of Calculation Date})} \times (\text{RPI}_{m-2} - \text{RPI}_{m-3})$$

and rounded to five decimal places (0.000005 being rounded upwards) and where:

"**IFA**" means the Index Figure applicable;

"**RPI_{m-3}**" means the Index Figure for the first day of the month that is three months prior to the month in which the payment falls due;

"**RPI_{m-2}**" means the Index Figure for the first day of the month that is two months prior to the month in which the payment falls due;

Any reference to the "**Index Figure applicable**" to a particular Calculation Date shall, subject as provided in Condition 7(c) (*Changes in Circumstances Affecting the Index*) and Condition 7(e) (*Cessation of or Fundamental Changes to the Index*) below, and if "8 months lag" is specified in the relevant Final Terms or Drawdown Prospectus, be calculated in accordance with the following formula:

$$\text{IFA} = \text{RPI}_{m-8} + \frac{(\text{Day of Calculation Date} - 1)}{(\text{Days in month of Calculation Date})} \times (\text{RPI}_{m-7} - \text{RPI}_{m-8})$$

and rounded to five decimal places (0.000005 being rounded upwards) and where:

"**IFA**" means the Index Figure applicable;

"**RPI_{m-8}**" means the Index Figure for the first day of the month that is eight months prior to the month in which the payment falls due;

"**RPI_{m-7}**" means the Index Figure for the first day of the month that is seven months prior to the month in which the payment falls due;

"**Index Ratio**" applicable to any Calculation Date means the Index Figure applicable to such date divided by the Base Index Figure;

"**Limited Index Ratio**" means (a) in respect of any month prior to the relevant Issue Date, the Index Ratio for that month; (b) in respect of any Limited Indexation Month after the relevant Issue Date, the product of the Limited Indexation Factor for that month and the Limited Index Ratio as previously calculated in respect of the month twelve months prior thereto; and (c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month;

"**Limited Indexation Factor**" means, in respect of a Limited Indexation Month, the ratio of the Index Figure applicable to that month divided by the Index Figure applicable to the month twelve months prior thereto, provided that (a) if such ratio is greater than the Maximum Indexation Factor specified in the relevant Final Terms or Drawdown Prospectus, it shall be deemed to be equal to such Maximum Indexation Factor and (b) if such ratio is less than the Minimum Indexation Factor specified in the relevant Final Terms or Drawdown Prospectus, it shall be deemed to be equal to such Minimum Indexation Factor;

"**Limited Indexation Month**" means any month specified in the relevant Final Terms or Drawdown Prospectus for which a Limited Indexation Factor is to be calculated;

"**Limited Indexed Bonds**" means Indexed Bonds to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms or Drawdown Prospectus) applies;

"**Maximum Indexation Factor**" means the indexation factor specified as such in the relevant Final Terms or Drawdown Prospectus;

"**Minimum Indexation Factor**" means the indexation factor specified as such in the relevant Final Terms or Drawdown Prospectus; and

"**Reference Gilt**" means the Treasury Stock specified as such in the relevant Final Terms or Drawdown Prospectus for so long as such stock is in issue, and thereafter such issue of index-linked Treasury Stock determined to be appropriate by a gilt-edged market maker or other adviser selected by the Programme Issuer and approved by the Bond Trustee (an "**Indexation Adviser**").

(b) *Application of the Index Ratio*

Each payment of interest and principal in respect of the Bonds shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Indexed Bonds applicable to the month in which such payment falls to be made and rounded in accordance with Condition 6(d) (*Rounding*).

(c) *Changes in Circumstances Affecting the Index*

- (i) Change in base: If at any time and from time to time the Index is changed by the substitution of a new base therefore, then with effect from the calendar month from and including that in which such substitution takes effect (1) the definition of "**Index**" and "**Index Figure**" in Condition 7(a) (*Definitions*) shall be deemed to refer to the new date or month in substitution for January 1987 (or, as the case may be, to such other date or month as may have been substituted therefore); and (2) the new Base Index Figure shall be the product of the existing Base Index Figure and the Index Figure immediately following such substitution, divided by the Index Figure immediately prior to such substitution.
- (ii) (Delay in publication of Index: If the Index Figure relating to any month (the "**relevant month**") which is required to be taken account for the purposes of the determination of the Index Figure applicable for any date is not published on or before the fourteenth business day before the date on which any payment of interest or principal on the Bonds is due (the "**date for payment**"), the Index Figure relating to the relevant month shall be (1) such substitute index figure (if any) as the Bond Trustee considers to have been published by the Bank of England or, as the case may be, the United Kingdom Debt Management Office (or such other designated debt manager of Her Majesty's Treasury, from time to time) for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Bond Trustee); or (2) if no such determination is made by such Indexation Adviser within 7 days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 7(c)(i) (*Change in base*)) before the date for payment.

(d) *Application of Changes*

Where the provisions of Condition 7(c)(ii) (*Delay in publication of Index*) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 7(c)(ii)(2) (*Delay in publication of Index*), the Index Figure relating to the relevant month is subsequently published while a Bond is still Outstanding, then:

- (i) in relation to a payment of principal or interest in respect of such Bond other than upon final redemption of such Bond, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced by an amount equal to (respectively) the shortfall or excess of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 7(c)(ii)(2) (*Delay in publication of Index*), below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth Business Day before the date for payment; and
- (ii) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.

(e) *Cessation of or Fundamental Changes to the Index*

- (i) If (1) the Bond Trustee has been notified by the Agent Bank (or the Calculation Agent, if applicable) that the Index has ceased to be published; or (2) any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change which would, in the opinion of the Bond Trustee acting solely on the advice of an Indexation Adviser, be materially prejudicial to the interests of the Bondholders, the Bond Trustee will give written notice of such occurrence to the Programme Issuer, and the Programme Issuer and the Bond Trustee together shall seek to agree for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Programme Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made.
- (ii) If the Programme Issuer and the Bond Trustee fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned in paragraph (i), a bank or other person in London shall be appointed by the Programme Issuer and the Bond Trustee or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the day period referred to above, by the Bond Trustee (in each case, such bank or other person so appointed being referred to as the "**Expert**"), to determine for the purpose of the Bonds one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Programme Issuer and the Bondholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Programme Issuer and the Bond Trustee in connection with such appointment shall be borne by the Programme Issuer.
- (iii) The Index shall be adjusted or replaced by a substitute index as agreed by the Programme Issuer and the Bond Trustee or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Bond Trustee and the Programme Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Programme Issuer, the other Secured Creditors, the Bond Trustee and the Bondholders, and the Programme Issuer shall give notice to the Bondholders in accordance with Condition 17 (*Notices*) of such amendments as promptly as practicable following such notification.

8. Redemption, Purchase and Cancellation

(a) *Partial and Final Redemption*

Unless previously redeemed, or purchased and cancelled as provided below, or unless such Bond is stated in the relevant Final Terms or Drawdown Prospectus as having no

fixed Maturity Date, each Bond will be redeemed at its Principal Amount Outstanding (in the case of Indexed Bonds as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*)), on the date or dates (or, in the case of Floating Rate Bonds, on the Interest Payment Date(s)) specified in the relevant Final Terms or Drawdown Prospectus plus accrued but unpaid interest and, in the case of Indexed Bonds as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*).

In the case of principal on Class B Bonds only, if on any date, prior to the taking of Enforcement Action, on which such Bond is to be redeemed (in whole or in part) there are insufficient funds available to the Programme Issuer to pay such principal, the Programme Issuer's liability to pay such principal will be treated as not having fallen due and will be deferred until the earliest of (i) the next following Interest Payment Date on which the Programme Issuer has, in accordance with the cash management provisions of Schedule 10 (*Cash Management*) of the CTA, sufficient funds to pay such deferred amounts (including any interest accrued thereon); (ii) the date on which all Class A Debt has been paid in full and (iii) an Acceleration of Liabilities (other than a Permitted Hedging Termination, or a Permitted Lease Termination) and in the case of a Permitted Share Pledge Acceleration only to the extent that there would be sufficient funds available in accordance with the Payment Priorities to pay such deferred principal (including any accrued interest thereon). Interest will accrue on such deferred principal at the rate otherwise payable on unpaid principal of such Class B Bonds.

(b) *Optional Redemption*

Subject as provided below, upon giving not more than 60 nor less than 30 days' notice to the Bond Trustee, the Security Trustee, the Secured Creditors and the Bondholders, the Programme Issuer may (prior to the Maturity Date) redeem any Sub-Class of the Bonds in whole or in part (but on a *pro rata* basis only) on any Interest Payment Date at their Redemption Amount, provided that Floating Rate Bonds may not be redeemed before the date specified in the relevant Final Terms or Drawdown Prospectus, as follows:

- (i) In respect of Fixed Rate Bonds, the Redemption Amount will, unless otherwise specified in the relevant Final Terms or Drawdown Prospectus, be an amount equal to the higher of (i) their Principal Amount Outstanding; and (ii) the price determined to be appropriate by a financial adviser in London (selected by the Programme Issuer and approved by the Bond Trustee) as being the price at which the Gross Redemption Yield (as defined below) on such Bonds on the Reference Date (as defined below) is equal to the Gross Redemption Yield at 3:00 p.m. (London time) on the Reference Date on the Reference Gilt (as defined below) while that stock is in issue, and thereafter such Government stock (or such other stock as specified in the relevant Final Terms or Drawdown Prospectus for Bonds denominated in currencies other than Sterling) as the Programme Issuer may, with the advice of three persons operating in the gilt-edged market (selected by the Programme Issuer and approved by the Bond Trustee) determine to be appropriate, plus accrued but unpaid interest on the Principal Amount Outstanding.

For the purposes of this Condition 8(b)(i), "**Gross Redemption Yield**" means a yield expressed as a percentage and calculated on a basis consistent with the

basis indicated by the United Kingdom Debt Management Office publication "*Formulae for Calculating Gilt Prices from Yields*" published 8 June 1998 with effect from 1 November 1998 and updated on 16 March 2005 (and as further updated, supplemented, amended or replaced from time to time), pages 7 to 11 in respect of Indexed Bonds where "8 month lag" is specified in the relevant Final Terms or Drawdown Prospectus or pages 12 to 13 in respect of Indexed Bonds where "3 month lag" is specified in the relevant Final Terms or Drawdown Prospectus or any replacements therefore; "**Reference Date**" means the date which is two Business Days prior to the despatch of the notice of redemption under this Condition 8(b)(i); and "**Reference Gilt**" means the Treasury Stock specified in the relevant Final Terms or Drawdown Prospectus.

- (ii) In respect of Floating Rate Bonds, the Redemption Amount will, unless otherwise specified in the relevant Final Terms or Drawdown Prospectus, be the Principal Amount Outstanding plus any premium for early redemption in certain years (as specified in the relevant Final Terms or Drawdown Prospectus) plus any accrued but unpaid interest on the Principal Amount Outstanding.
- (iii) In respect of Indexed Bonds, the Redemption Amount will (unless otherwise specified in the relevant Final Terms or Drawdown Prospectus) be the higher of (i) the Principal Amount Outstanding; and (ii) the price determined to be appropriate (without any additional indexation beyond the implicit indexation in such determined price) by a financial adviser in London (selected by the Programme Issuer and approved by the Bond Trustee) as being the price at which the Gross Real Redemption Yield (as defined below) on the Bonds on the Reference Date (as defined below) is equal to the Gross Real Redemption Yield at 3:00 p.m. (London time) on the Reference Date on the Reference Gilt while that stock is in issue, and thereafter such Government stock as the Programme Issuer may, with the advice of three persons operating in the gilt-edged market, (selected by the Programme Issuer and approved by the Bond Trustee) determine to be appropriate, plus accrued but unpaid interest (as adjusted in accordance with Condition 7(b) (*Applications of the Index Ratio*)) on the Principal Amount Outstanding.

For the purposes of this Condition 8(b)(iii), "**Gross Real Redemption Yield**" means a yield expressed as a percentage and calculated on a basis consistent with the basis indicated by the United Kingdom Debt Management Office publication "*Formulae for Calculating Gilt Prices from Yields*" published 8 June 1998 with effect from 1 November 1998 and updated on 16 March 2006, (and as further updated, supplemented, amended or replaced from time to time), pages 7 to 11 in respect of Indexed Bonds where "8 months lag" is specified in the relevant Final Terms or Drawdown Prospectus or pages 12 to 13 in respect of Indexed Bonds where "3 months lag" is specified in the relevant Final Terms or Drawdown Prospectus or any replacements therefore, "**Reference Date**" means the date which is two Business Days prior to the despatch of the notice of redemption under Condition 8(b)(iii); and "**Reference Gilt**" means the Treasury Stock specified in the relevant Final Terms or Drawdown Prospectus.

In any such case, prior to giving any such notice, the Programme Issuer must certify (as further specified in the Finance Documents) to the Bond Trustee that it will have the funds, not subject to any interest (other than under the Security) of any other person, required to redeem the Bonds as aforesaid.

(c) *Redemption for Index Event, Taxation or Other Reasons*

Redemption for Index Events: Upon the occurrence of any Index Event (as defined below), the Programme Issuer may, upon giving not more than 60 nor less than 30 days' notice to the Bond Trustee, the Security Trustee, the Secured Creditors and the holders of the Indexed Bonds in accordance with Condition 17 (*Notices*), redeem all (but not some only) of the Indexed Bonds of all Sub-Classes referable to the Index the subject of the Index Event on any Interest Payment Date at the Principal Amount Outstanding (adjusted in accordance with Condition 7(b) (*Application of Index Ratio*)) plus accrued but unpaid interest. No single Sub-Class of Indexed Bonds may be redeemed in these circumstances unless all the other Classes and Sub-Classes of Indexed Bonds referable to the Index the subject of the Index Event are also redeemed at the same time. Before giving any such notice, the Programme Issuer shall provide to the Bond Trustee, the Security Trustee and the Secured Creditors a certificate signed by an Authorised Signatory (a) stating that the Programme Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Programme Issuer so to redeem have occurred and (b) confirming that the Programme Issuer will have sufficient funds on such Interest Payment Date to effect such redemption.

"**Index Event**" means (i) if the Index Figure for three consecutive months falls to be determined on the basis of an Index Figure previously published as provided in Condition 7(c)(ii) (*Delay in publication of Index*) and the Bond Trustee has been notified by the Principal Paying Agent that publication of the Index has ceased; or (ii) notice is published by Her Majesty's Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Reference Gilt, and (in either case) no amendment or substitution of the Index has been advised by the Indexation Adviser to the Programme Issuer and such circumstances are continuing.

The Bond Trustee, the Security Trustee and the Secured Creditors shall be entitled to accept and rely on any certificate referred to in this Condition 8(c) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event they shall be conclusive and binding on the Bondholders, the Receiptholders and the Couponholders.

(d) *Redemption for Taxation Reasons*

In addition, if at any time the Programme Issuer satisfies the Bond Trustee that the Programme Issuer would, on the next Interest Payment Date, become obliged to deduct or withhold from any payment of interest or principal in respect of the Bonds (other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or the Cayman Islands or, if the Programme Issuer is substituted for a company incorporated under or tax resident in another jurisdiction as permitted in accordance with these

Conditions, such other jurisdiction or, in each case, any political subdivision thereof, or any other authority thereof, then the Programme Issuer may, in order to avoid the relevant deductions or withholding, use its reasonable endeavours to arrange the substitution of a company incorporated under another jurisdiction approved by the Bond Trustee as principal debtor under the Bonds and as lender under the Programme Issuer/AWL Loan Agreements and as obligor under the Finance Documents upon satisfying the conditions for substitution of the Programme Issuer as set out in the STID (and referred to in Condition 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*)). If the Programme Issuer is unable to arrange a substitution as described above having used reasonable endeavours to do so and, as a result, the relevant deduction or withholding is continuing then the Programme Issuer may (but will not be obliged to), upon giving not more than 60 nor less than 30 days' notice to the Bond Trustee, the Security Trustee, the Secured Creditors and the Bondholders in accordance with Condition 17 (*Notices*), redeem all (but not some only) of the Bonds on any Interest Payment Date at their Principal Amount Outstanding plus accrued but unpaid interest thereon (each adjusted, in the case of Indexed Bonds, in accordance with Condition 7(b) (*Application of the Index Ratio*)). Before giving any such notice of redemption, the Programme Issuer shall provide to the Bond Trustee, the Security Trustee and the Secured Creditors a certificate signed by an Authorised Signatory (a) stating that the Programme Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Programme Issuer so to redeem have occurred; and (b) confirming that the Programme Issuer will have sufficient funds on such Interest Payment Date to discharge all its liabilities in respect of the Bonds and any amounts under the Security Agreement to be paid in priority to, or *pari passu* with, the Bonds under the Payment Priorities.

The Bond Trustee, the Security Trustee and the Secured Creditors shall be entitled to accept and rely on any certificate referred to in this Condition 8(d) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event they shall be conclusive and binding on the Bondholders, the Receiptholders and the Couponholders.

(e) *Redemption on Prepayment of Programme Issuer/AWL Loan Agreements*

If AWL gives notice to the Programme Issuer under a Programme Issuer/AWL Loan Agreement that it intends to prepay all or part of any advance made under such Programme Issuer/AWL Loan Agreement and such advance was funded by the Programme Issuer from the proceeds of the issue of a Sub-Class of Bonds, the Programme Issuer shall, upon giving not more than 60 nor less than 30 days' notice to the Bond Trustee, the Security Trustee, the Secured Creditors and the Bondholders in accordance with Condition 17 (*Notices*), (where such advance is being prepaid in whole) redeem all of the Bonds of that Sub-Class or (where part only of such advance is being prepaid) the proportion of the relevant Sub-Class of Bonds which the proposed prepayment amount bears to the amount of the relevant advance. In the case of a voluntary prepayment, the relevant Bonds will be redeemed at their Redemption Amount determined in accordance with Condition 8(b) (*Optional Redemption*) except that, in the case of Fixed Rate Bonds and Indexed Bonds, for the purposes of this Condition 8(d), "**Reference Date**" means the date two Business Days prior to the despatch of the notice of redemption given under this Condition 8(d), plus accrued but

unpaid interest and, in the case of any other prepayment, the relevant Bonds will be redeemed at their Principal Amount Outstanding plus accrued but unpaid interest.

(f) *Purchase of Bonds*

The Programme Issuer may, provided that no Event of Default has occurred and is continuing, purchase Bonds (provided that all unmatured Receipts and Coupons and unexchanged Talons (if any) appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

If not all the Bonds which are in registered form are to be purchased, upon surrender of the existing Definitive Registered Bond, the Registrar shall forthwith upon the written request of the Bondholder concerned issue a new Definitive Registered Bond in respect of the Bonds which are not to be purchased and despatch such Definitive Registered Bond to the Bondholder (at the risk of the Bondholder and to such address as the Bondholder may specify in such request).

While the Bonds are represented by a Global Bond or Registered Global Bond (as defined below), the relevant Global Bond or Registered Global Bond will be endorsed to reflect the Principal Amount Outstanding of Bonds to be so redeemed or purchased.

(g) *Redemption by Instalments*

Unless previously redeemed, purchased and cancelled as provided in this Condition 8, each Bond which provides for Instalment Dates (as specified in the relevant Final Terms or Drawdown Prospectus) and Instalment Amounts (as specified in the relevant Final Terms or Drawdown Prospectus) will be partially redeemed on each Instalment Date at the Instalment Amount.

(h) *Cancellation*

In respect of all Bonds redeemed or purchased by or on behalf of the Programme Issuer, the Bearer Bonds or the Registered Bonds shall be surrendered to or to the order of the Principal Paying Agent or the Registrar, as the case may be, for cancellation and, if so surrendered, will, together with all Bonds redeemed by the Programme Issuer, be cancelled forthwith (together with, in the case of Bearer Bonds, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Programme Issuer in respect of any such Bonds shall be discharged.

(i) *Instalments*

Instalment Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Redemption Amount will be determined pursuant to Condition 8(b) (*Optional Redemption*) above.

9. **Payments**

(a) *Bearer Bonds*

Payments to the Bondholders of principal (or, as the case may be, Redemption Amounts or other amounts payable on redemption) and interest (or, as the case may be, Interest Amounts) in respect of Bearer Bonds will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payment of Instalment Amounts other than on the due date for final redemption and provided that the Receipt is presented for payment together with its relative Bond), Bonds (in the case of all other payments of principal and, in the case of interest, as specified in Condition 9(f) (*Unmatured Coupons and Receipts and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 9(f) (*Unmatured Coupons and Receipts and Unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States of America by transfer to an account denominated in the currency in which such payment is due with, or (in the case of Bonds in definitive form only) a cheque payable in that currency drawn on, a bank in (i) the principal financial centre of that currency provided that such currency is not euro, or (ii) the principal financial centre of any Participating Member State if that currency is euro.

(b) *Registered Bonds*

Payments of principal (or, as the case may be, Redemption Amounts) in respect of Registered Bonds will be made to the holder (or the first named of joint holders) of such Bond against presentation and surrender of the relevant Registered Bond at the specified office of the Registrar and in the manner provided in Condition 9(a) (*Bearer Bonds*).

Payments of instalments in respect of Registered Bonds will be made to the holder (or the first named of joint holders) of such Bond against presentation of the relevant Registered Bond at the specified office of the Registrar in the manner provided in Condition 9(a) (*Bearer Bonds*) above and annotation of such payment on the Register and the relevant Bond Certificate.

Interest (or, as the case may be, Interest Amounts) on Registered Bonds payable on any Interest Payment Date will be paid to the holder (or the first named of joint holders) on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payment of interest or Interest Amounts on each Registered Bond will be made in the currency in which such payment is due by cheque drawn on a bank in (a) the principal financial centre of the country of the currency concerned, provided that such currency is not euro, or (b) the principal financial centre of any Participating Member State if that currency is euro and mailed to the holder (or to the first named of joint holders) of such Bond at its address appearing in the Register. Upon application by the Bondholder to the specified office of the Registrar before the relevant Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in (a) the principal financial centre of the country of that currency provided that such currency is not euro, or (b) the principal financial centre of any Participating Member State if that currency is euro.

A record of each payment so made will be endorsed on the schedule to the Global Bond or the Registered Global Bond by or on behalf of the Principal Paying Agent or the Registrar, as the case may be, which endorsement shall be *prima facie* evidence that such payment has been made.

(c) *Payments in the United States of America*

Notwithstanding the foregoing, if any Bearer Bonds are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if:

- (i) the Programme Issuer shall have appointed Paying Agents with specified offices outside the United States of America with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Bonds in the manner provided above when due;
- (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts; and
- (iii) such payment is then permitted by the law of the United States of America, without involving, in the opinion of the Programme Issuer, adverse tax consequences to the Programme Issuer.

(d) *Payments subject to fiscal laws; payments on Global Bonds and Registered Bonds*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of this Condition 9. No commission or expenses shall be charged to the Bondholders, Couponholders or Receiptholders (if any) in respect of such payments.

The holder of a Global Bond or Registered Global Bond shall be the only person entitled to receive payments of principal (or Redemption Amounts) and interest (or Interest Amounts) on the Global Bond or Registered Global Bond (as the case may be) and the Programme Issuer will be discharged by payment to, or to the order of, the holder of such Global Bond or Registered Global Bond in respect of each amount paid.

(e) *Appointment of the Agents*

The Paying Agents, the Agent Bank, the Transfer Agents and the Registrar (the "**Agents**") appointed by the Programme Issuer (and its respective specified offices) are listed in the Agency Agreement. Any Calculation Agent will be listed in the relevant Final Terms or Drawdown Prospectus and will be appointed pursuant to a Calculation Agency Agreement. The Agents act solely as agents of the Programme Issuer (and, other than as in the circumstances to be set out in the Agency Agreement, the Bond Trustee) and do not assume any obligation or relationship of agency or trust for or with any holder. The Programme Issuer reserves the right, with the prior written consent of the Bond Trustee at any time to vary or terminate the appointment of any Agent, and to appoint additional or other Agents, provided that the Programme Issuer will at all times maintain (i) a Principal Paying Agent (in the case of Bearer Bonds);

(ii) a Registrar (in the case of Registered Bonds); (iii) an Agent Bank or Calculation Agent (as specified in the relevant Final Terms or Drawdown Prospectus) (in the case of Floating Rate Bonds or Indexed Bonds); (iv) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced to conform to, such Directive; and (v) if and for so long as the Bonds are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent, Transfer Agent or Registrar in any particular place, a Paying Agent, Transfer Agent and/or Registrar, as applicable, having its specified office in the place required by such listing authority, stock exchange and/or quotation system. Notice of any such variation, termination or appointment will be given in accordance with Condition 17 (*Notices*).

(f) *Unmatured Coupons and Receipts and Unexchanged Talons*

- (i) Subject to the provisions of the relevant Final Terms or Drawdown Prospectus, upon the due date for redemption of any Bond which is a Bearer Bond (other than a Fixed Rate Bond, unless it has all unmatured Coupons attached), unmatured Coupons and Receipts relating to such Bond (whether or not attached) shall become void and no payment shall be made in respect of them.
- (ii) Upon the date for redemption of any Bond, any unmatured Talon relating to such Bond (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iii) Upon the due date for redemption of any Bond which is redeemable in instalments, all Receipts relating to such Bond having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iv) Where any Bond, which is a Bearer Bond and is a Fixed Rate Bond, is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, a sum equal to the aggregate amount of the missing unmatured Coupons will be deducted from the amount of principal due for payment and, redemption shall be made only against the provision of such indemnity as the Programme Issuer may require.
- (v) If the due date for redemption of any Bond is not an Interest Payment Date, interest accrued from the preceding Interest Payment Date or the Interest Commencement Date, as the case may be, or the Interest Amount payable on such date for redemption shall only be payable against presentation (and surrender if appropriate) of the relevant Bond and Coupon.

(g) *Non-Business Days*

Subject as provided in the relevant Final Terms or Drawdown Prospectus, if any date for payment in respect of any Bond, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks are

open for presentation and payment of debt securities and for dealings in foreign currency in London and in the relevant place of presentation and in the cities referred to in the definition of Business Days and (in the case of a payment in a currency other than euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which dealings may be carried on in the relevant currency in the principal financial centre of the country of such currency and, in relation to any sum payable in euro, a day on which the TARGET System is open.

(h) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a coupon sheet issued in respect of any Bond, the Talon forming part of such coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further coupon sheet (and if necessary another Talon for a further coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 13 (*Prescription*)).

10. **Taxation**

All payments in respect of the Bonds, Receipts or Coupons will be made (whether by the Programme Issuer, the Guarantors, any Paying Agent, the Registrar, the Bond Trustee or the Security Trustee) free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature unless the Programme Issuer, the Guarantors, any Paying Agent or the Registrar or, where applicable, the Bond Trustee or the Security Trustee is required by applicable law to make any payment in respect of the Bonds, Receipts or Coupons subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Programme Issuer, the Guarantors, such Paying Agent, the Registrar, the Bond Trustee or the Security Trustee, as the case may be, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. None of the Programme Issuer, the Guarantors, any Paying Agent, the Registrar, the Bond Trustee or the Security Trustee will be obliged to make any additional payments to the Bondholders, Receiptholders or the Couponholders in respect of such withholding or deduction. The Programme Issuer, the Guarantors, any Paying Agent, the Registrar, the Bond Trustee or the Security Trustee may require holders to provide such certifications and other documents as required by applicable law in order to qualify for exemptions from applicable tax laws.

11. **Events of Default**

The Events of Default (as defined in the Master Definitions Agreement) relating to the Bonds will be set out in Schedule 6 (*Events of Default*) of the CTA.

(a) *Events of Default*

If any Event of Default occurs and is continuing, subject always to the terms of the STID, the Bond Trustee may at any time (in accordance with the provisions of the Bond Trust Deed and the STID) and shall upon the Bond Trustee being so directed or requested (i) by an Extraordinary Resolution (as defined in the Bond Trust Deed) of

holders of the relevant Sub-Classes of Class A Bonds or, if there are no Class A Bonds outstanding, the Class B Bonds or (ii) in writing by holders of at least one quarter in outstanding nominal amount of the relevant Sub-Class of Class A Bonds, or if there are no Class A Bonds outstanding, the Class B Bonds and subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Programme Issuer and the Security Trustee that the Bonds of the relevant Sub-Class are, and they shall immediately become, due and repayable, at their respective Redemption Amounts determined in accordance with Condition 8(b) (*Optional Redemption*) (except that, in the case of Fixed Rate Bonds and Indexed Bonds for the purposes of this Condition 11(a), the "**Reference Date**" means the date two Business Days prior to the despatch of the notice of redemption given under this Condition 11(a)) or as specified in the applicable Final Terms or Drawdown Prospectus.

(b) *Confirmation of no Event of Default*

The Programme Issuer, pursuant to the terms of the CTA, shall provide written confirmation to the Bond Trustee, on a semi-annual basis, that no Event of Default has occurred.

(c) *Enforcement of Security*

If the Bond Trustee gives written notice to the Programme Issuer and the Security Trustee that an Event of Default has occurred under the Bonds of any Sub-Class, a Standstill Period shall commence. The Security Trustee may only enforce the Security acting in accordance with the STID and, subject to certain limitations on enforcement during a Standstill Period, on the instructions of the Majority Creditors (provided that the relevant Quorum Requirement has been met) pursuant to the STID.

Following the notification of an Event of Default, the STID will provide for a Standstill Period (as defined in the Master Definitions Agreement) to commence and for certain restrictions to apply to all Secured Creditors of the Obligors. The CTA will also contain various Trigger Events that will, if they occur, (among other things) permit the Majority Creditors (provided that the relevant Quorum Requirement has been met) to commission an Independent Review, require AWL to discuss its plans for appropriate remedial action and prevent the Financing Group from making further Restricted Payments until the relevant Trigger Events have been remedied.

(d) *Automatic Acceleration*

In the event of the acceleration of the Secured Liabilities (other than a Permitted Share Pledge Acceleration, a Permitted Hedging Termination or a Permitted Lease Termination as set out in the STID), the Bonds of each Series shall automatically become due and repayable at their respective Redemption Amounts determined in accordance with Condition 8(b) (*Optional Redemption*) (except that, in the case of Fixed Rate Bonds and Indexed Bonds for the purposes of this Condition 11(d), "**Reference Date**" means the date two Business Days prior to the date of such acceleration) or as specified in the applicable Final Terms or Drawdown Prospectus plus, in each case, accrued and unpaid interest thereon.

12. **Enforcement Against the Programme Issuer**

No Bondholder is entitled to take any action against the Programme Issuer or against any assets of the Programme Issuer to enforce its rights in respect of the Bonds or to enforce any of the Security unless the Bond Trustee or the Security Trustee (as applicable), having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. The Security Trustee will act (subject to Condition 11(c) (*Enforcement of Security*)) on the instructions of the Majority Creditors (provided that the relevant Quorum Requirement has been met) pursuant to the STID and neither the Bond Trustee nor the Security Trustee shall be bound to take any such action unless it is indemnified and/or secured and/or prefunded to its satisfaction against all fees, costs, expenses, liabilities, claims and demands to which it may thereby become liable or which it may incur by so doing.

Neither the Bond Trustee nor the Bondholders may institute against, or join any person in instituting against, the Programme Issuer any bankruptcy, winding up, re-organisation, arrangement, insolvency or liquidation proceeding (except for the appointment of a receiver and manager pursuant to the terms of the Security Agreement and subject to the STID) or other proceeding under any similar law for so long as any Bonds are Outstanding or for two years and a day after the latest Maturity Date on which any Bond of any Series is due to mature.

13. **Prescription**

Claims against the Programme Issuer for payment in respect of the Bonds, Receipts or Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date) in respect thereof.

14. **Replacement of Bonds, Coupons, Receipts and Talons**

If any Bearer Bond, Registered Bond, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and requirements of the London Stock Exchange (in the case of listed Bonds) (and each other listing authority, stock exchange and or quotation system upon which the relevant Bonds have then been admitted to listing, trading and/or quotation), at the specified office of the Principal Paying Agent or, as the case may be, the Registrar upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Programme Issuer may require. Mutilated or defaced Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. **Meetings of Bondholders, Modification, Waiver and Substitution**

(a) *Decisions of Majority Creditors, STID Matters and STID Direct Voting Matters*

The STID will contain provisions dealing with the manner in which STID Matters affecting the interests of the Secured Creditors (including the Bond Trustee and the Bondholders) will be dealt with. Bondholders will (subject to various Reserved Matters and Entrenched Rights) be bound by the decisions of the Majority Creditors (provided that the relevant Quorum Requirement has been met).

The STID will provide that the holders of Class A Bonds (the "**Qualifying Bondholders**") shall each be entitled to instruct the Bond Trustee through the clearing systems in accordance with the terms of the Bond Trust Deed to vote on their behalf in relation to such STID Direct Voting Matters as the DIG Representative of such Bondholder.

As will be more fully set out in the STID and the Bond Trust Deed, voting in connection with such STID Direct Voting Matters shall be determined on a pound-for-pound basis by reference to the Outstanding Principal Amount owed to each Qualifying Secured Creditor voting in respect of such STID Direct Voting Matters, so that all votes in favour of the proposal and all votes against the proposal from such Qualifying Secured Creditor are considered on an aggregate basis, irrespective of whether a majority of such holders of Bonds.

For the purpose of voting in connection with a STID Direct Voting Matter, upon receipt thereof in accordance with the provisions of the STID, the Bond Trustee shall promptly forward a copy of such notice to the Qualifying Bondholders in accordance with Condition 17 (*Notices*) requesting them to instruct the Bond Trustee how to vote. After obtaining the instruction of the Qualifying Bondholders, the Bond Trustee will vote in relation to the relevant STID Direct Voting Matter in accordance with such instructions.

If a STID Matter relates to an Entrenched Right of a Sub-Class or Class of Bondholders, such STID Matter shall not be a STID Direct Voting Matter and the Bond Trustee shall be entitled to convene a meeting of any one or more Sub-Classes of Bondholders to consider such STID Matter and the Bond Trustee shall vote in accordance with a direction by those holders of such outstanding Bonds by means of an Extraordinary Resolution of the relevant Sub-Class of Bonds. In any case, the Bond Trustee shall not be obliged to vote unless it has been indemnified and/or secured and/or prefunded to its satisfaction.

(b) *Meetings of Bondholders*

The Bond Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the modification of the Bonds, the Receipts, the Coupons or any of the provisions of the Bond Trust Deed and any other Finance Document to which the Bond Trustee is a party (subject to the terms of the STID). Any modification may (except in relation to any Entrenched Right or Reserved Matter of the Bond Trustee (as set out in the STID) subject to the terms of the STID) and subject to the provisions concerning ratification and/or meetings of particular combinations of Sub-Classes of Bonds as set out in Condition 16(b) (*Exercise of rights by Bond Trustee*) and the Bond Trust Deed), be made if sanctioned by a resolution passed at a meeting of such Bondholders duly convened and held in accordance with the Bond Trust Deed by a majority of not less than three-quarters of the votes cast (an "**Extraordinary Resolution**") at such meeting. Such a meeting may be convened by the Bond Trustee or the Programme Issuer, and shall be convened by the Programme Issuer upon the request in writing of the relevant Bondholders holding not less than one-tenth in nominal amount of the relevant Bonds for the time being Outstanding.

The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. in Principal Amount Outstanding of the relevant Bonds for the time being Outstanding or, at any adjourned meeting, one or more persons being or representing Bondholders, whatever the Principal Amount Outstanding of the relevant Bonds held or represented, provided however, that certain matters as set out in paragraph 5 of the Fourth Schedule to the Bond Trust Deed (the "**Basic Terms Modifications**") in respect of the holders of any particular Sub-Class of Bonds may be sanctioned only by an Extraordinary Resolution passed at a meeting of Bondholders of the relevant Sub-Class of Bonds at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one-quarter in Principal Amount Outstanding of the relevant Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the relevant Bondholders, Receiptholders and Couponholders whether present or not.

In addition, a resolution in writing signed by or on behalf of all Bondholders who for the time being are entitled to receive notice of a meeting of Bondholders under the Bond Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(c) *Modification, consent and waiver*

As will be more fully set out in the Bond Trust Deed (and subject to the conditions and qualifications therein and to the terms of the STID), the Bond Trustee may and, in respect of (iii) below, shall, without the consent of the Bondholders of any Sub-Class, concur with the Programme Issuer or any other relevant parties in making:

- (i) any modification of these Conditions, the Bond Trust Deed or any Finance Document if in the opinion of the Bond Trustee such modification is of a formal, minor or technical nature or is made to correct a manifest error;
- (ii) any modification and granting any consent under or waiver or authorisation of any breach or proposed breach (or determination that any Event of Default or Potential Event of Default shall not be treated as such) of these Conditions, the Bond Trust Deed or any Finance Document which is, in the opinion of the Bond Trustee, not materially prejudicial to the interests of the Bondholders of that Sub-Class; or
- (iii) any modification required (A) for the purpose of enabling Bonds to be issued under the Programme within the United States in reliance on Rule 144A under the Securities Act 1933, as amended or (B) the accession of a Permitted Additional Issuer Subsidiary to the relevant Transaction Documents.

Any such modification, consent, waiver or authorisation shall be binding on the Bondholders of that Sub-Class, and the holders of all relevant Receipts and Coupons and, if the Bond Trustee so requires, notice thereof shall be given by the Programme Issuer to the Bondholders of that Sub-Class as soon as practicable thereafter.

As will be more fully set out in the Bond Trust Deed, the Bond Trustee, in exercising its discretion in making the above modifications, is entitled to take into account any

such matters as it in its sole discretion considers relevant, including whether or not the Rating Agencies have confirmed in writing that (or where a Rating Agency is not willing to issue a rating affirmation, AWL (in its capacity as Transaction Agent) has confirmed by certificate that, in its opinion) there will not be any adverse effect on the then current rating of the Bonds.

(d) *Substitution of the Programme Issuer*

As more fully set forth in the STID (and subject to the conditions and qualifications therein), the Bond Trustee may also agree with the Programme Issuer, without reference to the Bondholders, to the substitution of another corporation in place of the Programme Issuer as principal debtor in respect of the Bond Trust Deed and the Bonds of all Series.

16. Bond Trustee Protections

(a) *Trustee considerations*

Subject to the terms of the STID and Condition 16(b) (*Exercise of rights by Bond Trustee*), in connection with the exercise, under these Conditions, the Bond Trust Deed or any Finance Document, of its rights, powers, trusts, authorities and discretions (including any modification, consent, waiver or authorisation), the Bond Trustee shall have regard to the interests of the holders of the Bonds only provided that, if the Bond Trustee considers, in its sole opinion, that there is a conflict between the interests of the holders of the Class A Bonds and the interests of the holders of the Class B Bonds, the Bond Trustee shall only consider the interests of the holders of the Class A Bonds and where, in the sole opinion of the Bond Trustee, there is a conflict of interest between holders of two or more Sub-Classes of Bonds of the same Class, it shall only consider the interests of the holders of the Sub-Class of Bonds with the shortest dated maturity and, in either case, will not have regard to the consequences of such exercise for the holders of other Classes or Sub-Classes of Bonds or for individual Bondholders, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. The Bond Trustee shall not be entitled to require from the Programme Issuer, nor shall any Bondholders be entitled to claim from the Programme Issuer or the Bond Trustee, any indemnification or other payment in respect of any consequence (including any tax consequence) for individual Bondholders of any such exercise.

(b) *Exercise of rights by Bond Trustee*

Subject as provided in sub-paragraph (a) above or elsewhere in these Conditions and the Bond Trust Deed, the Bond Trustee will exercise its rights under, or in relation to, the Bond Trust Deed or the Conditions in accordance with the directions of the relevant Bondholders, but the Bond Trustee shall not be bound as against the Bondholders to take any such action unless it has (a) (in respect of the matters set out in Condition 11 (*Events of Default*) and Condition 15(a) (*Decisions of the Majority Creditors, STID Matters and STID Direct Voting Matters*) only) been so requested in writing by the holders of at least 25 per cent. in nominal amount of the relevant Sub-Classes of Bonds Outstanding; or (b) been so directed by an Extraordinary

Resolution; and been indemnified and/or furnished with security and/or prefunded to its satisfaction.

(c) *Decisions under STID binding on all Bondholders*

Subject to the provisions of the STID and the Entrenched Rights and Reserved Matters of the Bond Trustee and the Bondholders, decisions of the Majority Creditors (provided that the relevant Quorum Requirement has been met) will bind the Bond Trustee and the Bondholders in all circumstances.

17. **Notices**

Notices to holders of Registered Bonds will be posted to them at their respective addresses in the Register and deemed to have been given on the date of posting. Other notices to Bondholders will be valid if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*). The Programme Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of the London Stock Exchange and any other listing authority, stock exchange and/or quotation system on which the Bonds are for the time being listed. Any such notice (other than to holders of Registered Bonds as specified above) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders and Receiptholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Bonds in accordance with this Condition 17.

So long as any Bonds are represented by Global Bonds, notices in respect of those Bonds may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or any other relevant clearing system as specified in the relevant Final Terms or Drawdown Prospectus for communication by them to entitled account holders in substitution for publication in a daily newspaper with general circulation in London. Such notices shall be deemed to have been received by the Bondholders on the day of delivery to such clearing systems.

18. **Indemnification of the Bond Trustee and Security Trustee**

(a) *Indemnification of the Bond Trustee*

The Bond Trust Deed contains provisions for indemnification of the Bond Trustee, and for its relief from responsibility, including provisions relieving it from taking any action including taking proceedings against the Programme Issuer and/or any other person unless indemnified and/or secured and/or prefunded to its satisfaction. The Bond Trustee or any of its affiliates (as defined in Condition 7 (*Indexation*)) are entitled to enter into business transactions with the Programme Issuer, the other Secured Creditors or any of their respective subsidiaries or associated companies without accounting for any profit resulting therefrom.

(b) *Indemnification of the Security Trustee*

Subject to the Entrenched Rights and Reserved Matters of the Security Trustee, the Security Trustee will only be required to take any action under or in relation to, or to

enforce or protect the Security, or any other security interest created by a Finance Document, or a document referred to therein, if instructed to act by the Majority Creditors or Secured Creditors (or their representatives) (as appropriate), pursuant to the terms of the STID and if indemnified and/or secured and/or prefunded to its satisfaction.

(c) *Directions, Duties and Liabilities*

Neither the Security Trustee nor the Bond Trustee, in the absence of its own wilful misconduct, gross negligence or fraud, and in all cases when acting as directed by or subject to the agreement of the Majority Creditors or Secured Creditors (or their representatives) (as appropriate) pursuant to the terms of the STID, shall in any way be responsible for any loss, costs, damages or expenses or other liability, which may result from the exercise or non-exercise of any consent, waiver, power, trust, authority or discretion vested in the Security Trustee or the Bond Trustee pursuant to the STID, any Finance Document or any Ancillary Document.

19. **European Economic and Monetary Union**

(a) *Notice of redenomination*

The Programme Issuer may, without the consent of the Bondholders, and on giving at least 30 days' prior notice to the Bondholders, the Bond Trustee and the Principal Paying Agent, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Bonds falling on or after the date on which the United Kingdom becomes a Participating Member State.

(b) *Redenomination*

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (i) the Bonds of each Sub-Class denominated in sterling (the "**Sterling Bonds**") shall be deemed to be redenominated into Euro in the denomination of Euro 0.01 with a principal amount for each Bond equal to the principal amount of that Bond in sterling, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty establishing the European Union, as amended, (including compliance with rules relating to rounding in accordance with European Community regulations), provided, however, that, if the Programme Issuer determines, with the agreement of the Bond Trustee, that the then current market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Programme Issuer shall promptly notify the Bondholders, the London Stock Exchange and any stock exchange (if any) on which the Bonds are then listed and the Principal Paying Agent of such deemed amendments;
- (ii) if Bonds have been issued in definitive form:

- (A) all Bonds denominated in sterling will become void with effect from the date (the "**Euro Exchange Date**") on which the Programme Issuer gives notice (the "**Euro Exchange Notice**") to the Bondholders and the Bond Trustee that replacement Bonds denominated in Euro are available for exchange (provided that such Bonds are available) and no payments will be made in respect thereof;
 - (B) the payment obligations contained in all Bonds denominated in sterling will become void on the Euro Exchange Date but all other obligations of the Programme Issuer thereunder (including the obligation to exchange such Bonds in accordance with this Condition 19) shall remain in full force and effect; and
 - (C) new Bonds denominated in Euro will be issued in exchange for Sterling Bonds in such manner as the Principal Paying Agent or the Registrar, as the case may be, may specify and as shall be notified to the Bondholders in the Euro Exchange Notice;
- (iii) all payments in respect of the Sterling Bonds (other than, unless the Redenomination Date is on or after such date as sterling ceases to be a subdivision of the Euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euro by cheque drawn on, or by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Participating Member State; and
 - (iv) a Bond may only be presented for payment on a day which is a business day in the place of presentation.

(c) *Interest*

Following redenomination of the Bonds pursuant to this Condition 19:

- (i) where Sterling Bonds have been issued in definitive form, the amount of interest due in respect of the Sterling Bonds will be calculated by reference to the aggregate principal amount of the Sterling Bonds presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest Euro 0.01; and
- (ii) the amount of interest payable in respect of each Sub-Class of Sterling Bonds for any Interest Period shall be calculated by applying the Interest Rate applicable to the Sub-Class of Bonds denominated in Euro ranking *pari passu* to the relevant Sub-Class.

20. **Miscellaneous**

(a) *Governing Law*

The Bond Trust Deed, STID, the Security Agreement, the Bonds, the Coupons, the Receipts, the Talons (if any), and the other Finance Documents are, and any non-contractual obligations arising out of or in connection with such documents shall be governed by English law.

(b) *Jurisdiction*

The courts of England are to have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the Bonds, the Coupons, the Receipts, the Talons and the Finance Documents and accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Coupons, the Receipts, the Talons (if any) and/ or the Finance Document may be brought in such courts. The Programme Issuer has in each of the Finance Documents irrevocably submitted to the jurisdiction of such courts.

(c) *Third Party Rights*

No person shall have any right to enforce any term or condition of the Bonds or the Bond Trust Deed under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any rights or remedy which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

**PRINCIPAL PAYING AGENT
AND AGENT BANK**

DEUTSCH BANK AG, LONDON BRANCH

REGISTRAR AND TRANSFER AGENT

DEUTSCHE BANK LUXEMBOURG S.A.

SCHEDULE 2
FORMS OF GLOBAL AND DEFINITIVE BONDS, RECEIPTS, COUPONS AND
TALONS

PART A
FORM OF TEMPORARY GLOBAL BOND

THIS TEMPORARY GLOBAL BOND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"). NEITHER THIS TEMPORARY GLOBAL BOND NOR ANY PORTION HEREOF MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO ANY U.S. PERSON UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT IS AVAILABLE.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

AFFINITY WATER PROGRAMME FINANCE LIMITED
(incorporated under the laws of the Cayman Islands with limited liability)

[*currency*][*amount*]
Fixed Rate] / [*Floating Rate*] / [*Indexed*] Bonds due [*maturity*]

guaranteed by

AFFINITY WATER FINANCE (2004) LIMITED
AFFINITY WATER HOLDINGS LIMITED
AFFINITY WATER LIMITED
(each incorporated with limited liability in England and Wales)

TEMPORARY GLOBAL BOND

1. INTRODUCTION

1.1 The Bonds

This Temporary Global Bond is issued in respect of the bonds (the "**Bonds**") of Affinity Water Programme Finance (the "**Programme Issuer**") described in the Final Terms (the "**Final Terms**") a copy of which is annexed hereto. The Bonds:

1.1.1 **Guarantee:** are guaranteed by Affinity Water Finance (2004) Limited, Affinity Water Limited and Affinity Water Holdings Limited [and [*insert name of additional Guarantor if any*]] (the "**Guarantors**") pursuant to a security agreement dated _____ 2013 (the "**Security Agreement**"); and

1.1.2 **Agency Agreement:** are the subject of an issue and paying agency agreement dated _____ 2013 (the "**Agency Agreement**") made between the Programme Issuer, the Guarantors, Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any additional or successor paying agents appointed from time to time in connection with the Bonds) and the other agents named therein.

1.2 Construction

All references in this Temporary Global Bond to an agreement, instrument or other document (including the Agency Agreement) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time **provided that**, in the case of any amendment, supplement, replacement or novation made after the date hereof, it is made in accordance with the Conditions. Headings and sub-headings are for ease of reference only and shall not affect the construction of this Temporary Global Bond.

1.3 References to Conditions

Any reference herein to the "**Conditions**" is to the Terms and Conditions of the Bonds set out in Schedule 4 (*Terms and Conditions of the Bonds*) hereto, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. This Temporary Global Bond is issued pursuant to a bond trust deed (as supplemented, amended or replaced) (the "**Bond Trust Deed**") dated _____ 2013 and made between the Programme Issuer, the Guarantors and Deutsche Trustee Company Limited as trustee (the "**Bond Trustee**") which expression shall include any person or corporation from time to time appointed as bond trustee. Words and expressions defined in the Conditions shall have the same meanings when used in this Temporary Global Bond.

2. **PROMISE TO PAY**

The Programme Issuer, for value received, promises to pay to the bearer of this Temporary Global Bond, in respect of each Bond represented by this Temporary Global Bond, the Redemption Amount [(or, in the case of Instalment Bonds, in respect of each such Bond for the time being and from time to time represented hereby, such Instalment Amounts as may become so due and payable)]¹ on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on each such Bond on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions; **provided, however, that** such interest shall be payable only:

- 2.1 **Before the Exchange Date:** in the case of interest falling due before the Exchange Date (as defined below), to the extent that a certificate or certificates issued by Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system dated not earlier than the date on which such interest falls due and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto is/are delivered to the specified office of the Principal Paying Agent; or
- 2.2 **Failure to exchange:** in the case of interest falling due at any time, to the extent that the Programme Issuer has failed to procure the exchange for a permanent global bond of that portion of this Temporary Global Bond in respect of which such interest has accrued.

3. **NEGOTIABILITY**

This Temporary Global Bond is negotiable and, accordingly, title to this Temporary Global Bond shall pass by delivery.

4. **EXCHANGE**

4.1 **Permanent Global Bond**

If the relevant Final Terms specifies the form of Bonds as being "Temporary Global Bond exchangeable for a Permanent Global Bond", then on or after the day following the expiry of 40 days after the date of issue of this Temporary Global Bond (the "**Exchange Date**"), the Programme Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Bond (which expression has the meaning given in the Master Definitions Agreement) in accordance with the Agency Agreement to the bearer of this Temporary Global Bond or (in the case of any subsequent exchange) an increase in the principal amount of the existing Permanent Global Bond in accordance with its terms against:

- 4.1.1 **Presentation and surrender:** presentation and (in the case of final exchange) surrender of this Temporary Global Bond at the specified office of the Principal Paying Agent; and

¹ insert for Instalment Bonds only.

4.1.2 **Certification:** receipt by the Principal Paying Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the Exchange Date and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto,

within 7 days of the bearer requesting such change.

The principal amount of the Permanent Global Bond shall be equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent; **provided, however, that** in no circumstances shall the principal amount of the Permanent Global Bond exceed the initial principal amount of this Temporary Global Bond and any Temporary Global Bond representing a fungible Sub-Class of Bonds with the Sub-Class of Bonds represented by the first Temporary Global Bond.

4.2 **Definitive Bonds; Not D Rules**

If the Final Terms specifies the form of Bonds as being "Temporary Global Bond exchangeable for Definitive Bonds" and also specifies that the C Rules of the U.S. Tax Equity and Fiscal Responsibility Act 1982 ("**TEFRA**") are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then on or after the day following the expiry of 40 days after the date of issue of this Temporary Global Bond (the "**Exchange Date**"), the Programme Issuer shall procure the delivery of Definitive Bonds (which expression has the meaning given in the Master Definitions Agreement) in accordance with the Agency Agreement with Coupons, Receipts and Talons (if so specified in the Final Terms) attached and in an aggregate principal amount equal to the principal amount of this Temporary Global Bond to the bearer of this Temporary Global Bond against presentation and surrender of this Temporary Global Bond at the specified office of the Principal Paying Agent.

4.3 **Definitive Bonds; D Rules**

If the Final Terms specifies the form of Bonds as being "Temporary Global Bond exchangeable for Definitive Bonds" and also specifies that the TEFRA D Rules are applicable, then on or after the day following the expiry of 40 days after the date of issue of this Global Bond (the "**Exchange Date**"), the Programme Issuer shall procure the delivery of Definitive Bonds (which expression has the meaning given in the Master Definitions Agreement) in accordance with the Agency Agreement with Coupons, Receipts and Talons (if so specified in the Final Terms) attached against:

4.3.1 **Presentation and surrender:** presentation and (in the case of final exchange) surrender of this Temporary Global Bond at the specified office of the Principal Paying Agent; and

4.3.2 **Certification:** receipt by the Principal Paying Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the Exchange Date and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto.

The Definitive Bonds so delivered from time to time shall be in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent; **provided, however, that** in no circumstances shall the aggregate principal amount of Definitive Bonds so delivered exceed the initial principal amount of this Temporary Global Bond.

4.4 **Registered Bonds**

If the Final Terms specifies the form of Bonds as being "Temporary Global Bond exchangeable for Registered Bonds" then the Programme Issuer shall procure:

4.4.1 in the case of an exchange for a Global Bond Certificate:

- (i) (in the case of first exchange) delivery of such Global Bond Certificate in accordance with the Conditions and the Agency Agreement to the bearer of this Temporary Global Bond; or
- (ii) (in the case of any subsequent exchange) an increase in the principal amount of the Global Bond Certificate in accordance with its terms; or

4.4.2 in the case of an exchange for Individual Bond Certificates, the delivery of the Individual Bond Certificates in accordance with the Conditions and the Agency Agreement,

in each case upon presentation or surrender of this Temporary Global Bond to the Principal Paying Agent at its specified office and without any requirements to provide certificates upon such presentation or, as the case may be, surrender;

provided, however, that in no circumstances shall the aggregate principal amount of Registered Bonds so delivered exceed the initial principal amount of this Temporary Global Bond and any Temporary Global Bond representing a fungible Sub-Class of Bonds with the Sub-Class of Bonds represented by the first Temporary Global Bond and in the case of any Global Bond Certificate.

5. **DELIVERY OF PERMANENT GLOBAL BOND OR DEFINITIVE BONDS**

5.1 **Permanent Global Bond**

Whenever any interest in this Temporary Global Bond is to be exchanged for an interest in a Permanent Global Bond, the Programme Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Bond, duly authenticated, to the bearer of this Temporary Global Bond or (in the case of any subsequent exchange) an increase in the principal amount of such existing Permanent Global Bond in accordance with its terms, in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of this Temporary Global Bond at the specified office of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

5.2 **Definitive Bonds**

Whenever this Temporary Global Bond is to be exchanged for Definitive Bonds, the Programme Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Bonds, duly authenticated and with Coupons, Receipts and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of this Temporary Global Bond to the bearer of this Temporary Global Bond against the surrender of this Temporary Global Bond at the specified office of the Principal Paying Agent within 30 days of the bearer requesting such exchange but, in any event, not earlier than 40 days after the issue of such Bonds.

5.3 **Registered Bonds**

Whenever this Temporary Global Bond is to be exchanged for Registered Bonds, the Programme Issuer shall procure the prompt delivery (free of charge to the bearer) of such Registered Bonds, duly authenticated in an aggregate principal amount equal to the principal amount of this Temporary Global Bond to the bearer of this Temporary Global Bond against the surrender of this Temporary Global Bond at the specified office of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

6. **WRITING DOWN**

On each occasion on which:

- 6.1 **Permanent Global Bond:** the Permanent Global Bond is delivered or the principal amount of Bonds represented thereby is increased in accordance with its terms in exchange for a further portion of this Temporary Global Bond; or
- 6.2 **Definitive Bonds:** Definitive Bonds are delivered in exchange for this Temporary Global Bond; or
- 6.3 **Registered Bonds:** Registered Bonds are delivered or the principal amount of any Global Bond Certificate is increased in accordance with its terms in exchange for a further portion of this Temporary Global Bond;
- 6.4 **Cancellation:** Bonds represented by this Temporary Global Bond are to be cancelled in accordance with Condition 8(h) (*Redemption, Purchase and Cancellation - Cancellation*),

the Programme Issuer shall procure that (a) the principal amount of the Permanent Global Bond, the principal amount of such Registered Bonds, the principal amount of such increase or (as the case may be) the aggregate principal amount of such Bonds and (b) the remaining principal amount of this Temporary Global Bond (which shall be the previous principal amount hereof *less* the aggregate of the amounts referred to in (a)) are noted in Schedule 1 (*Payments, Delivery of Definitive Bonds or Registered Bonds, Exchange for Permanent Global Bond Exercise of Options and Cancellation of Bonds*) hereto, whereupon the principal amount of this Temporary Global Bond shall for all purposes be as most recently so noted.

7. PAYMENTS

- 7.1 All payments in respect of this Temporary Global Bond shall be made against presentation and (in the case of payment of principal of the Bonds in full with all interest accrued on the Bonds) surrender of this Temporary Global Bond at the specified office of any Paying Agent and shall be effective to satisfy and discharge the corresponding liabilities of the Programme Issuer in respect of the Bonds. On each occasion on which a payment of interest is made in respect of this Temporary Global Bond, the Programme Issuer shall procure that the same is noted in Schedule 1 (*Payments, Delivery of Definitive Bonds or Registered Bonds, Exchange for Permanent Global Bond, Exercise of Options and Cancellation of Bonds*) hereto.
- 7.2 For the purposes of payments in respect of this Temporary Global Bond, the relevant place of presentation shall be disregarded from the definition of "business day" set out in Condition 9(g) (*Non-Business Days*).
- 7.3 The bearer of this Temporary Global Bond shall not be entitled to receive any payment of interest in respect of the Bonds represented by this Temporary Global Bond which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date, (unless, upon due presentation of this Temporary Global Bond for exchange (in whole or in part) for a Permanent Global Bond or for delivery of Definitive Bonds and/or Individual Bond Certificates, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date).
- 7.4 All payments on the Temporary Global Bond otherwise falling due before the Exchange Date will be made only upon presentation of this Temporary Global Bond at the specified office of any of the Paying Agents outside (unless Condition 9(c) (*Payments in the United States of America*) applies) the United States and upon and to the extent of delivery to the relevant Paying Agent of a certificate pursuant to paragraph 2.1 above.

8. CONDITIONS APPLY

- 8.1 Until this Temporary Global Bond has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Temporary Global Bond shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the holder of Definitive Bonds and any related Coupons, Receipts and Talons in the smallest specified denomination and in an aggregate principal amount equal to the principal amount of this Temporary Global Bond.
- 8.2 The bearer of this Temporary Global Bond and, *inter alia*, the Bond Trustee are restricted in the proceedings which they may take against the Programme Issuer to enforce their rights hereunder and under the Bond Trust Deed, as more particularly described in the Conditions and the Bond Trust Deed.

9. NOTICES

Notwithstanding Condition 17 (*Notices*), while (a) all the Bonds are represented by this Temporary Global Bond, or by this Temporary Global Bond and the Permanent

Global Bond or by this Temporary Global Bond and the Global Bond Certificate and (b) this Temporary Global Bond is, or this Temporary Global Bond and the Permanent Global Bond are, or this Temporary Global Bond and the Global Bond Certificate are, deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Bondholders in accordance with the Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

10. **REDENOMINATION**

If the Bonds are redenominated pursuant to Condition 19 (*European Economic and Monetary Union*), then following redenomination and subject always to the terms of Condition 19 (*European Economic and Monetary Union*):

- 10.1 **Denominations:** if Definitive Bonds or Individual Bond Certificates are required to be issued, they shall be issued in euro in such denominations as the Principal Paying Agent shall determine and notify to the Bondholders; and
- 10.2 **Calculation of interest:** the amount of interest due in respect of Bonds represented by this Temporary Global Bond will be calculated by reference to the aggregate principal amount of such Bonds and the amount of such payment shall be rounded down to the nearest euro 0.01.

11. **AUTHENTICATION**

This Temporary Global Bond shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank AG, London Branch as Principal Paying Agent.

12. **GOVERNING LAW**

This Temporary Global Bond 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.

AS WITNESS the [manual/facsimile] signature of a duly authorised person on behalf of the Programme Issuer.

AFFINITY WATER PROGRAMME FINANCE LIMITED

By:
[manual or facsimile signature]
(duly authorised)

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of
DEUTSCHE BANK AG, LONDON BRANCH as principal paying agent without
recourse, warranty or liability

By:
[*manual signature*]
(*duly authorised*)

Schedule 1
Payments, Delivery of Definitive Bonds or Registered Bonds, Exchange for Permanent Global Bond, Exercise of Options and Cancellation of Bonds

Date of payment, delivery, exchange, exercise of option (and date upon which exercise is effective) or cancellation	Amount if interest then paid	Amount of principal then paid or redeemed	Aggregate Principal Amount of Definitive Bonds or Registered Bond(s) then delivered	Aggregate Principal Amount of this Temporary Global Bond then exchanged for the Permanent Global Bond	Aggregate Principal Amount of Bonds then cancelled	Aggregate Principal Amount in respect of which option is exercised	Remaining Principal Amount of this Temporary Global Bond	Authorised signature by or on behalf of the Principal Paying Agent

Schedule 2
Form of Accountholder's Certification

AFFINITY WATER PROGRAMME FINANCE LIMITED
(incorporated under the laws of the Cayman Islands with limited liability)

[*currency*][*amount*]
[*Fixed Rate*] / [*Floating Rate*] / [*Indexed*] **Bonds due** [*maturity*]

guaranteed by

AFFINITY WATER FINANCE (2004) LIMITED
AFFINITY WATER HOLDINGS LIMITED
AFFINITY WATER LIMITED
(each incorporated with limited liability in England and Wales)

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (a) are owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("**United States persons**"), (b) are owned by United States person(s) that (i) are foreign branches of a United States financial institution (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) ("**financial institutions**") purchasing for their own account or for resale, or (ii) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the Programme Issuer or the Programme Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)). In addition, if the owner of the Securities is a United States or foreign financial institution described in clause (c) (whether or not also described in clause (a) or (b)), this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(3) of Regulation S under the Securities Act of 1933, as amended (the "**Act**"), then this is also to certify that, except as set forth below, the Securities are beneficially owned by (1) non-U.S. person(s) or (2) U.S. person(s) who purchased the Securities in transactions which did not require registration under the Act. As used in this paragraph the term "**U.S. person**" has the meaning given to it by Regulation S under the Act.

As used herein, "**United States**" means the United States of America (including the States and the District of Columbia); and its "**possessions**" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct

on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to [*currency*] [*amount*] of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange and delivery of definitive Securities (or, if relevant, exercise of any rights or collection of any interest) cannot be made until we do so certify.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings.

Certificate of Authentication

Dated: [*Date*]

**[*name of account holder*]
as, or as agent for,
the beneficial owner(s) of the Securities
to which this certificate relates.**

By:
Authorised signatory

Schedule 3
Form of Euroclear/Clearstream, Luxembourg Certification

AFFINITY WATER PROGRAMME FINANCE LIMITED
(incorporated under the laws of the Cayman Islands with limited liability)

[*currency*][*amount*]

[*Fixed Rate*] / [*Floating Rate*] / [*Indexed*] Bonds due [*maturity*]

guaranteed by

AFFINITY WATER FINANCE (2004) LIMITED
AFFINITY WATER HOLDINGS LIMITED
AFFINITY WATER LIMITED

(each incorporated with limited liability in England and Wales)

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our "**Member Organisations**") substantially to the effect set forth in the temporary global Bond in respect of the Securities the form of which is set out in Schedule 2 to the Bond Trust Deed in relation to the Bonds issued in respect of the securities, as of the date hereof, [*currency*][*amount*] principal amount of the above captioned Securities (a) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("**United States persons**"), (b) is owned by (United States persons that (i) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) ("**financial institutions**") purchasing for their own account or for resale, or (ii) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Programme Issuer or the Programme Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in clause (c) (whether or not also described in clause (a) or (b)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(3) of Regulation S under the Securities Act of 1933, as amended (the "**Act**"), then this is also to certify with respect to the principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organisations entitled to a portion of such principal amount, certifications with respect to such portion substantially to the effect set forth in the temporary global Bond issued in respect of the Securities.

We further certify (1) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary global security excepted in such certifications and (2) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made by such Member Organisations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings.

Dated: [date]

EUROCLEAR BANK S.A./N.V.

or

CLEARSTREAM BANKING, SOCIÉTÉ ANONYME, LUXEMBOURG

By:
Authorised signatory

Schedule 4
Terms and Conditions of the Bonds

PART B
FORM OF PERMANENT GLOBAL BOND

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

AFFINITY WATER PROGRAMME FINANCE LIMITED
(incorporated under the laws of the Cayman Islands with limited liability)

[*currency*][*amount*]
[*Fixed Rate*] / [*Floating Rate*] / [*Indexed*] Bonds due [*maturity*]

guaranteed by

AFFINITY WATER FINANCE (2004) LIMITED
AFFINITY WATER HOLDINGS LIMITED
AFFINITY WATER LIMITED
(each incorporated with limited liability in England and Wales)

PERMANENT GLOBAL BOND

1. INTRODUCTION

1.1 The Bonds

This Permanent Global Bond is issued in respect of the bonds (the "**Bonds**") of Affinity Water Programme Finance Limited (the "**Programme Issuer**") described in the Final Terms (the "**Final Terms**") a copy of which is annexed hereto. The Bonds:

1.1.1 **Guarantee:** are guaranteed by Affinity Water Finance (2004) Limited, Affinity Water Holdings Limited and Affinity Water Limited [and [*insert name of additional Guarantor if any*]] (the "**Guarantors**") pursuant to a security agreement dated _____ 2013 (the "**Security Agreement**"); and

1.1.2 **Agency Agreement:** are the subject of an issue and paying agency agreement dated _____ 2013 (the "**Agency Agreement**") made between the Programme Issuer, the Guarantors and Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any additional or successor paying agents appointed from time to time in connection with the Bonds) and the other agents named therein.

1.2 Construction

All references in this Permanent Global Bond to an agreement, instrument or other document (including the Agency Agreement) shall be construed as a reference to that

agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time **provided that**, in the case of any amendment, supplement, replacement or novation made after the date hereof, it is made in accordance with the Conditions. Headings and sub-headings are for ease of reference only and shall not affect the construction of this Permanent Global Bond.

2. REFERENCES TO CONDITIONS

Any reference herein to the "**Conditions**" is to the Terms and Conditions of the Bonds set out in Schedule 3 (*Terms and Conditions of the Bonds*) hereto, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. This Permanent Global Bond is issued pursuant to a bond trust deed (as supplemented, amended or replaced) (the "**Bond Trust Deed**") dated _____ 2013 and made between the Programme Issuer, the Guarantors and Deutsche Trustee Company Limited as trustee (the "**Bond Trustee**" which expression shall include any person or corporation from time to time appointed as bond trustee). Words and expressions defined in the Conditions shall have the same meanings when used in this Permanent Global Bond.

3. PROMISE TO PAY

The Programme Issuer, for value received, promises to pay to the bearer of this Permanent Global Bond, in respect of each Bond represented by this Permanent Global Bond, the Redemption Amount [(or, in the case of Instalment Bonds, in respect of each such Bond for the time being and from time to time represented hereby, such Instalment Amounts as may become due and payable)²] on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on each such Bond on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

4. NEGOTIABILITY

This Permanent Global Bond is negotiable and, accordingly, title to this Permanent Global Bond shall pass by delivery.

5. EXCHANGE

5.1 Definitive Bonds

This Permanent Global Bond will become exchangeable, in whole but not in part only and at the request of the bearer of this Permanent Global Bond, for Definitive Bonds (which expression has the meaning given in the Master Definitions Agreement) in accordance with the Conditions:

5.1.1 **Upon notice:** on the expiry of such period of notice as may be specified in the Final Terms; or

² Insert for Instalment Bonds only.

- 5.1.2 **Upon demand:** at any time, if so specified in the Final Terms; or
- 5.1.3 **Closure of clearing systems:** if the Final Terms specifies "Closure of clearing systems", then if Euroclear Bank S.A./N.V. ("**Euroclear**") or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- 5.1.4 **Taxation:** the Programme Issuer certifies to the Bond Trustee that it has or will, on the next payment date for interest or principal, become subject to adverse tax consequences which would not be suffered if the Bonds are not represented by a Permanent Global Bond.

5.2 **Registered Bonds**

If the Final Terms specifies the form of Bonds as being "Permanent Global Bond exchangeable for Registered Bonds" then the Programme Issuer shall procure that such exchange, in whole or in part only, for Registered Bonds will be made in accordance with the Conditions and the Agency Agreement at any time (and without any requirements to provide certificates upon presentation or, as the case may be, surrender) upon presentation or surrender of this Permanent Global Bond to the Principal Paying Agent at its specified office.

6. **DELIVERY OF DEFINITIVE BONDS OR REGISTERED BONDS**

- 6.1 Whenever this Permanent Global Bond is to be exchanged for Definitive Bonds, the Programme Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Bonds, duly authenticated and with Coupons, Receipts and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of this Permanent Global Bond to the bearer of this Permanent Global Bond against the surrender of this Permanent Global Bond at the specified office of the Principal Paying Agent within 30 days of the bearer requesting such exchange.
- 6.2 Whenever this Permanent Global Bond (or part of it only) is to be exchanged for Registered Bonds, the Programme Issuer shall procure the prompt delivery (free of charge to the bearer) of such Registered Bonds, in an aggregate principal amount equal to the principal amount of this Permanent Global Bond (or such part of this Permanent Global Bond as is to be exchanged) to the bearer of this Permanent Global Bond against the surrender or presentation, as the case may be, of this Permanent Global Bond at the specified office of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

7. **WRITING DOWN**

On each occasion on which:

- 7.1 **Payment of principal:** a payment of principal is made in respect of this Permanent Global Bond;
- 7.2 **Definitive Bonds:** Definitive Bonds are delivered;

- 7.3 **Registered Bonds:** Registered Bonds are delivered; or
- 7.4 **Cancellation:** Bonds represented by this Permanent Global Bond are to be cancelled in accordance with Condition 8(h) (*Redemption, Purchase and Cancellation - Cancellation*),

the Programme Issuer shall procure that (a) the amount of such payment and the aggregate principal amount of such Bonds and (b) the remaining principal amount of this Permanent Global Bond (which shall be the previous principal amount hereof *less* the aggregate of the amounts referred to in (a) above) are noted in Schedule 1 (*Payments, Delivery of Definitive or Registered Bonds, Further Exchange of the Temporary Global Bond, Exercise of Options and Cancellation of Bonds*) hereto, whereupon the principal amount of this Permanent Global Bond shall for all purposes be as most recently so noted.

8. **WRITING UP**

If this Permanent Global Bond was originally issued in exchange for part only of a temporary global bond representing the Bonds, then, if at any time any further portion of such temporary global Bond is exchanged for an interest in this Permanent Global Bond, the principal amount of this Permanent Global Bond shall be increased by the amount of such further portion, and the Programme Issuer shall procure that the principal amount of this Permanent Global Bond (which shall be the previous principal amount hereof *plus* the amount of such further portion) is noted in Schedule 1 (*Payments, Delivery of Definitive or Registered Bonds, Further Exchange of the Temporary Global Bond, Exercise of Options and Cancellation of Bonds*) hereto, whereupon the principal amount of this Permanent Global Bond shall for all purposes be as most recently so noted.

9. **PAYMENTS**

All payments in respect of this Permanent Global Bond shall be made against presentation and (in the case of payment of principal of the Bonds in full with all interest accrued on the Bonds) surrender of this Permanent Global Bond at the specified office of any Paying Agent and shall be effective to satisfy and discharge the corresponding liabilities of the Programme Issuer in respect of the Bonds. On each occasion on which a payment of interest is made in respect of this Permanent Global Bond, the Programme Issuer shall procure that the same is noted in Schedule 1 (*Payments, Delivery of Definitive or Registered Bonds, Further Exchange of the Temporary Global Bond, Exercise of Options and Cancellation of Bonds*) hereto.

For the purposes of any payments made in respect of this Permanent Global Bond, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 9(g) (*Non-Business Days*).

10. **CONDITIONS APPLY**

- 10.1 Until this Permanent Global Bond has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Permanent Global Bond shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the

bearer were the holder of Definitive Bonds and any related Coupons, Receipts and Talons in the smallest Specified Denomination and in an aggregate principal amount equal to the principal amount of this Permanent Global Bond.

- 10.2 The bearer of this Permanent Global Bond and, *inter alia*, the Bond Trustee are restricted in the proceedings which they may take against the Programme Issuer to enforce their rights hereunder and under the Bond Trust Deed, as more particularly described in the Conditions and the Bond Trust Deed.

11. EXERCISE OF CALL OPTION

In connection with an exercise of the option contained in Condition 8(b) (*Redemption, Purchase and Cancellation - Optional Redemption*) in relation to some only of the Bonds, this Permanent Global Bond may be redeemed in part in the principal amount specified by the Programme Issuer in accordance with the Conditions and the Bonds to be redeemed will not be selected as provided in the Conditions.

12. NOTICES

Notwithstanding Condition 17 (*Notices*), while (a) all the Bonds are represented by this Permanent Global Bond, or by this Permanent Global Bond and a Temporary Global Bond, or by this Permanent Global Bond and a Global Bond Certificate and (b) this Permanent Global Bond is, or this Permanent Global Bond and a Temporary Global Bond are, or this Permanent Global Bond and the Global Bond Certificate are, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Bondholders in accordance with the Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

13. REDENOMINATION

If the Bonds are redenominated pursuant to Condition 19 (*European Economic and Monetary Union*), then following redenomination and subject always to the terms of Condition 19 (*European Economic and Monetary Union*):

- 13.1 **Denominations:** if Definitive Bonds or Individual Bond Certificates are required to be issued, they shall be issued in euro in such denominations as the Principal Paying Agent shall determine and notify to the Bondholders; and
- 13.2 **Calculation of Interest:** the amount of interest due in respect of Bonds represented by this Permanent Global Bond will be calculated by reference to the aggregate principal amount of such Bonds and the amount of such payment shall be rounded down to the nearest euro 0.01.

14. AUTHENTICATION

This Permanent Global Bond shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank AG, London Branch as principal paying agent.

15. **GOVERNING LAW**

This Permanent Global Bond 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.

AS WITNESS the [manual/facsimile] signature of a duly authorised person on behalf of the Programme Issuer.

AFFINITY WATER PROGRAMME FINANCE LIMITED

By:
[*manual or facsimile signature*]
(*duly authorised*)

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of
DEUTSCHE BANK AG, LONDON BRANCH
as principal paying agent without
recourse, warranty or liability

By:
[*manual signature*]
(*duly authorised*)

Schedule 1
**Payments, Delivery of Definitive or Registered Bonds, Further Exchanges of the
Temporary Global Bond, Exercise of Options and Cancellation of Bonds**

Date of payment, delivery, further exchange of Temporary Global Bond, exercise of option (and date upon which exercise is effective) or cancellation	Amount of interest then paid	Amount of principal then paid or redeemed	Aggregate Principal Amount of Definitive Bonds or Registered Bonds then delivered	Aggregate Principal Amount of Bonds then cancelled	Aggregate Principal Amount of further exchanges of Temporary Global Bonds	Aggregate Principal Amount in respect of which option is exercised	Current Principal Amount of this Global Bond	Authorised signature by or on behalf of the Principal Paying Agent

Schedule 2
Exchange Notice

....., being the bearer of the Permanent Global Bond at the time of its deposit with the Principal Paying Agent at its specified office for the purposes of the Bonds, hereby:

EITHER (delete as applicable):

- (i) requests that the Permanent Global Bond be exchanged in whole for Definitive Bonds as permitted by Clause 5.1 thereof and the terms of the applicable Final Terms and directs that such Definitive Bonds be made available for collection by it from the specified office of the Principal Paying Agent; OR
- (ii) requests that [*currency*][*amount*] of the Permanent Global Bond be exchanged for a corresponding amount of Individual Bond Certificates³ as permitted by Clause 5.2 thereof and the terms of the applicable Final Terms and directs that such Individual Bond Certificates [be made available for collection by it from the specified office of the Registrar/be mailed to the (respective) address(es) of the registered Bondholders(s) as set forth below:

Details for insertion in register in respect of Individual Bond Certificates:

Name(s) and address(es) of registered Bondholder(s):

.....
.....; OR

- (iii) requests that the Permanent Global Bond be exchanged in whole⁴ for a Global Bond Certificate as permitted by Clause 5.2 thereof and the terms of the applicable Final Terms and directs that such Global Bond Certificate [be made available for collection by it from the specified office of the Registrar/be mailed to the address of the registered Bondholder as set forth below]:

Details for insertion in register in respect of Global Bond Certificate:

Name and address of registered Bondholder:

.....
.....

³ Under the current rules of Euroclear and Clearstream, Individual Bond Certificates in registered form cannot be held through the clearing systems. Bondholders must make arrangements with the Registrar for payments on such Bonds to be made to them.

⁴ Exchange of a Permanent Global Bond for a Global Bond Certificate will only be permitted in whole.

Schedule 3
Terms and Conditions of the Bonds

PART C
FORM OF DEFINITIVE BOND

[On the face of the Bond:]

Series Number: []

Serial Number: []

Sub-Class Number: []

[Denomination]

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

AFFINITY WATER PROGRAMME FINANCE LIMITED
(incorporated under the laws of the Cayman Islands with limited liability)

[currency][amount]
[Fixed Rate] / [Floating Rate] / [Indexed] Bonds due [maturity]

guaranteed by

AFFINITY WATER FINANCE (2004) LIMITED
AFFINITY WATER HOLDINGS LIMITED
AFFINITY WATER LIMITED
(each incorporated with limited liability in England and Wales)

This Bond is one of a series of bonds (the "**Bonds**") of Affinity Water Programme Finance Limited (the "**Programme Issuer**") described in the Final Terms (the "**Final Terms**") a copy of the relevant particulars of which is endorsed on this Bond. Any reference herein to the "**Conditions**" is to the Terms and Conditions of the Bonds endorsed on this Bond, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. This Definitive Bond is issued subject to and with the benefit of the Conditions pursuant to a bond trust deed (as modified, supplemented, amended and/or replaced from time to time) (the "**Bond Trust Deed**" dated [•] 2013 and made between the Programme Issuer, the Guarantors and Deutsche Trustee Company Limited as trustee (the "**Bond Trustee**") which expression shall include any person or corporation from time to time appointed as bond trustee). Words and expressions defined in the Conditions shall have the same meanings when used in this Bond. The Programme Issuer for value received promises, all in accordance with the Conditions endorsed hereon and the Bond Trust Deed prepared in relation to the Bonds to pay to the bearer upon presentation or, as the case may be, surrender hereof on the maturity date specified in the Conditions or on such earlier date as the same may become payable in accordance therewith the Redemption Amount [or, if this Bond is an Instalment Bond, such Instalment Amounts]⁵ on such dates as may be specified in the Conditions or if this Bond

⁵ Insert only for Instalment Bonds.

shall become due and payable on any other date, the Redemption Amount and to pay interest and all other amounts as may be payable pursuant to the Conditions, all subject to and in accordance therewith.

[This Bond shall not/Neither this Bond nor any of the interest coupons, [talons or receipts] appertaining hereto shall] be valid for any purpose until this Bond has been authenticated for and on behalf of the Principal Paying Agent.

This Bond is guaranteed and secured by Affinity Water Finance (2004) Limited, Affinity Water Holdings Limited, Affinity Water Limited [and [*insert name of additional Guarantor if any*]] (together, the "**Guarantors**") pursuant to a guarantee and security agreement (as supplemented, amended or replaced from time to time, the "**Security Agreement**") dated _____ 2013 between, *inter alios*, the Programme Issuer, the Guarantors and Deutsche Trustee Company Limited as security trustee.

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

AS WITNESS the facsimile signature of a duly authorised signatory on behalf of the Programme Issuer.

AFFINITY WATER PROGRAMME FINANCE LIMITED

By:
[*manual or facsimile signature*]
(*duly authorised*)

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of
DEUTSCHE BANK AG, LONDON BRANCH
as Principal Paying Agent
without recourse, warranty or liability

By:
[*manual signature*]
(*duly authorised*)

[*On the reverse of the Bonds:*]

Final Terms

The following is a copy of the relevant particulars of the Final Terms.

Terms and Conditions

[*As contemplated in the Prospectus and as amended supplemented or replaced.*]

[*At the foot of the Conditions:*]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

PART D
FORM OF RECEIPT

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

AFFINITY WATER PROGRAMME FINANCE LIMITED

[Amount and title of Bonds] due [maturity]

Series No: []

Serial Number of Bond: []

Sub-Class No:[]

Receipt for the sum of [] being the instalment of principal payable in accordance with the Conditions endorsed on the Bond to which this Receipt appertains on [].

This Receipt is issued subject to and in accordance with the Conditions applicable to the Bond to which this Receipt appertains which shall be binding on the holder of this Receipt whether or not it is for the time being attached to such Bond.

This Receipt must be presented for payment together with the Bond to which it appertains in accordance with the Conditions.

This Receipt is not and shall not in any circumstances be deemed to be a document of title and if separated from the Bond to which it appertains will not represent any obligation of the Programme Issuer. Accordingly, the presentation of such Bond without this Receipt or the presentation of this Receipt without such Bond will not entitle the holder to any payment in respect of the relevant instalment of principal.

The Bond to which this Receipt appertains may, in certain circumstances specified in the Conditions, fall due for redemption before the due date for payment of the instalment of principal relating to this Receipt. In such event, this Receipt shall become void and no payment shall be made in respect of it.

[On the reverse of each Receipt:]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

PART E
FORM OF COUPON

1. [Form of Coupon attached to Bonds which are interest-bearing, fixed rate or fixed coupon amount and having Coupons:]

[On the front of Coupon:]

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

AFFINITY WATER PROGRAMME FINANCE LIMITED

[Amount and title of Bonds] due [maturity]

Series No: []

Serial Number of Bond: []

Sub-Class No: []

Coupon for *[set out the amount due]* due on *[date]*

Such amount is payable (subject to the Conditions applicable to the Bond to which this Coupon appertains, which shall be binding on the holder of this Coupon whether or not it is for the time being attached to such Bond) against surrender of this Coupon at the specified office of the Principal Paying Agent or any of the Paying Agents set out on the reverse hereof (or any other or further principal paying agent or paying agents and/or specified offices from time to time designated for the purpose by notice duly given in accordance with such Conditions).

2. [Form of Coupon attached to the Bonds which are interest-bearing, floating rate, indexed or variable coupon amount and having Coupons:]

[On the front of Coupons]

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

AFFINITY WATER SERVICES PROGRAMME FINANCE LIMITED

[*Amount and title of Bonds*] due [*maturity*]

Series No: []

Serial Number of Bond: []

Sub-Class No: []

Coupon for the amount due on the Interest Payment Date falling in [*month, year*]

[Coupon relating to the Bond in the principal amount of []]⁶

Such amount is payable (subject to the Conditions applicable to the Bond to which this Coupon appertains, which shall be binding on the holder of this Coupon whether or not it is for the time being attached to such Bond) against surrender of this Coupon at the specified office of the Principal Paying Agent or any of the Paying Agents set out on the reverse hereof (or any other or further principal paying agent or paying agents and/or specified offices from time to time designated for the purpose by notice duly given in accordance with such Conditions).

The attention of Couponholders is drawn to Condition 9(f) (*Unmatured Coupons and Receipts and Unexchanged Talons*) of the Conditions. The Bond to which this Coupon appertains may, in certain circumstances specified in the Conditions, fall due for redemption before the due date in relation to this Coupon. In such event, this Coupon will become void and no payment will be made in respect hereof.

[On the reverse of each Coupon:]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

⁶ This wording is only required for Bonds which are issued in more than one denomination.

PART F
FORM OF TALON

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

AFFINITY WATER PROGRAMME FINANCE LIMITED

[Amount and title of Bonds] due [maturity]

Series No: []
Serial Number of Bond: []
Sub-Class No: []

Talon for further [Coupons/Receipts]

After all the [Coupons/Receipts] appertaining to the Bond to which this Talon appertains have matured, further [Coupons/Receipts] (including, where appropriate, a Talon for further [Coupons/Receipts]) will be issued at the specified office of the Principal Paying Agent or any of the Paying Agents set out in the reverse hereof (or any other or further paying agents and/or specified offices from time to time designated by notice duly given in accordance with the Conditions applicable to the Bond to which this Talon appertains (which shall be binding on the holder of this Talon whether or not it is for the time being attached to such Bond)) upon production and surrender of this Talon upon and subject to such Conditions.

The Bond to which this Talon refers may, in certain circumstances specified in the Conditions, fall due for redemption before the original due date for exchange of this Talon. In such event this Talon shall become void and no exchange shall be made in respect hereof.

[On the reverse of each Talon:]

PRINCIPAL PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

[*currency*][*amount*]
([AMOUNT AND CURRENCY IN WORDS])

in aggregate principal amount of Bonds.

The Programme Issuer for value received promises, all in accordance with the Conditions and the Bond Trust Deed (as defined above) to pay to the Holder, on the maturity date specified in the Conditions or on such earlier date as any such Bond may become due and payable in accordance with the Conditions, the Redemption Amount [or, in the case of Instalment Bonds, in respect of each such Bond for the time being from time to time represented hereby, such Instalment Amounts as may become so due and payable]⁷ on such dates as may be specified in the Conditions or, if any such Bond shall become due and payable on any other date, the Redemption Amount and, in respect of each such Bond, to pay interest and all other amounts as may be payable pursuant to the Conditions, all subject to and in accordance therewith.

This Global Bond Certificate will be exchanged in whole (but not in part) for duly authenticated and completed individual bond certificates ("**Individual Bond Certificates**") in substantially the form (subject to completion) set out in Schedule 3 Part B (*Form of Individual Bond Certificate*) to the Bond Trust Deed if Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business. Such exchange shall be effected in accordance with the provisions of the following paragraph.

Whenever this Global Bond Certificate is to be exchanged for Individual Bond Certificates, such Individual Bond Certificates shall be issued in an aggregate principal amount equal to the principal amount of this Global Bond Certificate within five business days of the delivery, by or on behalf of the Holder, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Bond Certificates (including the names and addresses of the persons in whose names the Individual Bond Certificates are to be registered and the principal amount of each such person's holding) against the surrender of this Global Bond Certificate at the Specified Office (as defined in the Conditions) of the Registrar. Such exchange shall be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Bonds scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, "business day" means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city in which the Registrar has its Specified Office.

For the purposes of any payments made in respect of this Global Bond Certificate, the relevant place of presentation shall be disregarded from the definition of "business day" set out in Condition 9(g) (*Non-Business Days*).

In connection with an exercise of the option contained in Condition 8(b) (*Redemption, Purchase and Cancellation – Optional Redemption*) in relation to some only of the Bonds, the Bonds represented by this Global Bond Certificate may be redeemed in part in the

⁷ Insert only for Instalment Bonds.

principal amount specified by the Programme Issuer in accordance with the Conditions and the Bonds to be redeemed will not be selected as provided in the Conditions.

Each payment made in respect of this Global Bond Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which this Global Bond Certificate is being held is open for business.

Save as otherwise provided herein, the Holder of this Global Bond Certificate shall have the benefit of, and be subject to, the Conditions and, for the purposes of this Global Bond Certificate, any reference in the Conditions to "**Bond Certificate**" or "**Bond Certificates**" shall, except where the context otherwise requires, be construed so as to include this Global Bond Certificate.

Notwithstanding Condition 17 (*Notices*), so long as this Global Bond Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**"), notices to holders of Bonds represented by this Global Bond Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such Alternative Clearing System.

This Global Bond Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the holder is entitled to payment in respect of this Global Bond Certificate.

This Global Bond Certificate shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank Luxembourg S.A. as registrar.

This Global Bond Certificate and all non-contractual obligations arising out of or in connection with it are governed by English law.

AS WITNESS the manual or facsimile signature of a duly authorised person on behalf of the Programme Issuer.

AFFINITY WATER PROGRAMME FINANCE LIMITED

By:
[*manual or facsimile signature*]
(*duly authorised*)

ISSUED on [*issue date*]

AUTHENTICATED for and on behalf of
DEUTSCHE BANK LUXEMBOURG S.A.
as registrar without recourse, warranty
or liability

By:
[*manual signature*]
(*duly authorised*)

Schedule 1
Exchange Notice

..... , being the registered holder of this Global Bond Certificate, hereby:

- (i) requests that [*currency*][*amount*] of the Global Bond Certificate be exchanged for a corresponding amount of Individual Bond Certificates⁸ in accordance with the terms thereof and the terms of the applicable Final Terms and directs that such Individual Bond Certificates [be made available for collection by it from the specified office of the Registrar/be mailed to the (respective) address(es) of the registered Bondholder(s) as set forth below]:

Details for insertion in register in respect of Individual Bond Certificates:

Name(s) and address(es) of registered Bondholder(s):

.....
.....

By:
(*duly authorised*)

⁸ Under the current rules of Euroclear and Clearstream, Individual Bond Certificates in registered form cannot be held through the clearing systems. Bondholders must make arrangements with the Registrar for payment on such Bonds to be made to them.

FORM OF TRANSFER

FOR VALUE RECEIVED, being the registered holder of this Global Bond Certificate, hereby transfers toof.....
.....
....., [currency] in principal amount of the [currency] [amount] [Fixed Rate / Floating Rate / Indexed] Bonds due [maturity] (the "**Bonds**") of Affinity Water Programme Finance Limited (the "**Programme Issuer**") and irrevocably requests and authorises Deutsche Bank Luxembourg S.A. in its capacity as registrar in relation to the Bonds (or any successor to Deutsche Bank Luxembourg S.A. in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated:

By:
(duly authorised)

Bonds

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Global Bond Certificate.

- (a) A representative of such registered holder should state the capacity in which he signs, e.g. executor.
- (b) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
- (c) Any transfer of Bonds shall be in an amount equal to [currency] [amount] or an integral multiple of [currency] [amount] in excess thereof.

[Attached to the Global Bond Certificate:]

[Terms and Conditions as set out in Schedule 1]

[At the foot of the Terms and Conditions:]

PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

REGISTRAR

DEUTSCHE BANK LUXEMBOURG S.A.

PART B
FORM OF INDIVIDUAL BOND CERTIFICATE

Serial Number:

AFFINITY WATER PROGRAMME FINANCE LIMITED
(incorporated under the laws of the Cayman Islands with limited liability)

[*currency*][*amount*]
[*Fixed Rate*] / [*Floating Rate*] / [*Indexed*] **Bonds due** [*maturity*]

guaranteed by

AFFINITY WATER FINANCE (2004) LIMITED
AFFINITY WATER HOLDINGS LIMITED
AFFINITY WATER LIMITED
(each incorporated with limited liability in England and Wales)

INDIVIDUAL BOND CERTIFICATE

This Individual Bond Certificate is issued in respect of the [*currency*] [*amount*] [*Fixed Rate*] [*Floating Rate*] [*Indexed*] Bonds due [*maturity*] (the "**Bonds**") of Affinity Water Programme Limited (the "**Programme Issuer**"). The Bonds are constituted by, are subject to, and have the benefit of, a trust deed (as amended or supplemented from time to time, the "**Bond Trust Deed**") dated _____ 2013, between, *inter alios*, the Programme Issuer and Deutsche Trustee Company Limited as trustee (the "**Bond Trustee**") and the terms and conditions (the "**Conditions**") endorsed hereon and are the subject of an agency agreement dated _____ 2013 (as amended or supplemented from time to time, the "**Agency Agreement**") and made between, *inter alios*, the Programme Issuer, Deutsche Bank Luxembourg S.A. as registrar (the "**Registrar**") and principal paying agent, the other paying agents and the transfer agents named therein and the Bond Trustee.

Any reference herein to the Conditions is to the terms and conditions of the Bonds endorsed hereon and any reference to a numbered Condition is to the correspondingly numbered provision thereof.

This is to certify that:

[]

is the person registered in the register maintained by the Registrar in relation to the Bonds (the "**Register**") as the duly registered holder or, if more than one person is so registered, the first-named of such persons (the "**Holder**") of:

[*currency*][*amount*]

([**AMOUNT AND CURRENCY IN WORDS**])

in aggregate principal amount of the Bonds.

The Programme Issuer for value received promises, all in accordance with the Conditions and the Bond Trust Deed (as defined above) to pay to the Holder, on the maturity date specified in the Conditions or on such earlier date as any such Bond may become due and payable in accordance with the Conditions, the Redemption Amount [or, in the case of Instalment Bonds, in respect of each such Bond for the time being from time to time represented hereby, such Instalment Amounts as may become so due and payable]⁹ on such dates as may be specified in the Conditions or, if any such Bond shall become due and payable on any other date, the Redemption Amount [and, in respect of each such Bond, to pay interest and all other amounts as may be payable pursuant to the Conditions, all subject to and in accordance therewith.

This Individual Bond Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Individual Bond Certificate.

This Individual Bond Certificate is guaranteed and secured by Affinity Water Finance (2004) Limited, Affinity Water Holdings Limited, Affinity Limited [and [*insert name of additional Guarantor if any*]] (together, the "**Guarantors**") pursuant to a security agreement (as supplemented, amended or replaced from time to time, the "**Security Agreement**") dated _____ 2013 between, *inter alios*, the Programme Issuer, the Guarantors and Deutsche Trustee Company Limited as security trustee.

This Individual Bond Certificate shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank Luxembourg S.A. as registrar.

AS WITNESS the manual or facsimile signature of a duly authorised person on behalf of the Programme Issuer.

AFFINITY WATER PROGRAMME FINANCE LIMITED

By:
[*manual or facsimile signature*]
(*duly authorised*)

⁹ Insert only for Instalment Bonds.

ISSUED as of [*issue date*]

AUTHENTICATED for and on behalf of
DEUTSCHE BANK LUXEMBOURG S.A.
as registrar without recourse, warranty
or liability

By:
[*manual signature*]
(*duly authorised*)

FORM OF TRANSFER

FOR VALUE RECEIVED, being the registered holder of this Individual Bond Certificate, hereby transfers to.....
.....
of.....
.....
..... [currency] in principal amount of the [currency] [amount] [Fixed Rate] / [Floating Rate] / [Indexed] Bonds due [maturity] (the "Bonds") of Affinity Water Programme Finance Limited (the "**Programme Issuer**") and irrevocably requests and authorises Deutsche Bank Luxembourg S.A. in its capacity as registrar in relation to the Bonds (or any successor to Deutsche Bank Luxembourg S.A. in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated:

By:
(duly authorised)

Notes

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Individual Bond Certificate.

- (a) A representative of such registered holder should state the capacity in which he signs, e.g. executor.
- (b) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
- (c) Any transfer of Bonds shall be in an amount equal to [currency] [amount] or any integral multiple of [currency] [amount] in excess thereof.

[Attached to each Bond Certificate:]

[Terms and Conditions as set out in Schedule 1]

[At the foot of the Terms and Conditions:]

PAYING AGENT

DEUTSCHE BANK AG, LONDON BRANCH

REGISTRAR

DEUTSCHE BANK LUXEMBOURG S.A.

SCHEDULE 4
MEETING AND VOTING PROVISIONS

PART A
PROVISIONS FOR MEETINGS OF BONDHOLDERS

1. (A) The provisions of this Schedule are subject to the provisions of Conditions 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*) and 16 (*Bond Trustee Protections*) and the STID.
- (B) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
 - (i) "**voting certificate**" shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:
 - (a) that on the date thereof Bearer Bonds (whether in definitive form or represented by a Global Bond and not being Bearer Bonds in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Bonds will cease to be so deposited or held or blocked until the first to occur of:
 - (1) the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and
 - (2) the surrender of the certificate to the Paying Agent who issued the same; and
 - (b) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Bearer Bonds represented by such certificate;
 - (ii) "**block voting instruction**" shall mean an English language document issued by a Paying Agent and dated in which:
 - (a) it is certified that Bearer Bonds (whether in definitive form or represented by a Global Bond and not being Bearer Bonds in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such

Bearer Bonds will cease to be so deposited or held or blocked until the first to occur of:

- (1) the conclusion of the meeting specified in such document or, if later, of any adjourned such meeting; and
 - (2) the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Bearer Bond which is to be released or (as the case may require) the Bearer Bond or Bearer Bonds ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving of notice by the Paying Agent to the relevant Programme Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;
- (b) it is certified that each holder of such Bearer Bonds has instructed such Paying Agent that the vote(s) attributable to the Bearer Bond or Bearer Bonds so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
- (c) the aggregate principal amount of the Bearer Bonds so deposited or held or blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such document (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Bearer Bonds so listed in accordance with the instructions referred to in (c) above as set out in such document;
- (iii) "**24 hours**" shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such

period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and

(iv) "**48 hours**" shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.

(C) A holder of a Bearer Bond (whether in definitive form or represented by a Global Bond) may obtain a voting certificate in respect of such Bond from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Bond by depositing such Bearer Bond with such Paying Agent or (to the satisfaction of such Paying Agent) by such Bearer Bond being held to its order or under its control or being blocked in an account with a clearing system, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in sub-paragraph (B)(i)(a) or (B)(ii)(a) above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in sub-paragraph (B)(ii)(b) above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Bondholders be deemed to be the holder of the Bearer Bonds to which such voting certificate or block voting instruction relates and the Paying Agent with which such Bearer Bonds have been deposited or the person holding the same to the order or under the control of such Paying Agent or the clearing system in which such Bearer Bonds have been blocked shall be deemed for such purposes not to be the holder of those Bearer Bonds.

(D)

(i) A holder of Registered Bonds (whether in definitive form or represented by a Global Bond Certificate) may, by an instrument in writing in the English language (a "**form of proxy**") signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a "**proxy**") to act on his or its behalf in connection with any meeting of the Bondholders and any adjourned such meeting provided that no such person shall be appointed as a proxy:

(x) whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting; and

- (y) originally appointed to vote at a meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the meeting when it is resumed.
 - (ii) Any holder of Registered Bonds (whether in definitive form or represented by a Global Bond Certificate) which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a "**representative**") in connection with any meeting of the Bondholders and any adjourned such meeting.
 - (iii) Any proxy appointed pursuant to sub-paragraph (i) above or representative appointed pursuant to sub-paragraph (ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Bondholders, to be the holder of the Registered Bonds to which such appointment relates and the holder of the Registered Bonds shall be deemed for such purposes not to be the holder.
- 2. The Programme Issuer or the Bond Trustee may at any time and the Programme Issuer shall upon a requisition in writing in the English language signed by the holders of not less than one-tenth in Principal Amount Outstanding of the relevant Bonds convene a meeting of the relevant Bondholders and if the Programme Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Bond Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Bond Trustee may appoint or approve.
- 3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the holders of the relevant Bonds prior to any meeting of such holders in the manner provided by Condition 17 (*Notices*). Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that (i) Bearer Bonds may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control or blocked in an account with a clearing system for the purpose of obtaining voting certificates or appointing proxies under block voting instructions and (ii) the holders of Registered Bonds may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent to the Bond Trustee (unless the meeting is convened by the Bond Trustee), the Programme Issuer (unless the meeting is convened by the Programme Issuer), to the Guarantors and the Paying Agents or the Registrar.
- 4. A person (who may but need not be a Bondholder) nominated in writing by the Bond Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for

holding the meeting or adjourned meeting the Bondholders present shall choose one of their number to be Chairman, failing which the Programme Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.

5. At any such meeting one or more persons present holding Definitive Bonds or Individual Bond Certificates or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the Principal Amount Outstanding of the relevant Bonds shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Definitive Bonds or Individual Bond Certificates or voting certificates or being proxies or representatives and holding or representing not less than 50 per cent. in Principal Amount Outstanding of the relevant Bonds **provided that** at any meeting the business of which includes any of the following matters (each of which, a "**Basic Terms Modification**", shall only be capable of being effected after having been approved by Extraordinary Resolution) namely:
- (i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Bonds;
 - (ii) alteration of the currency in which payments under the Bonds, Receipts and Coupons are to be made;
 - (iii) alteration of the majority required to pass an Extraordinary Resolution;
 - (iv) the sanctioning of any such scheme or proposal as is described in paragraph 18(I) below;
 - (v) alteration of this proviso or the proviso to paragraph 6 below; and
 - (vi) the sanctioning of a STID Proposal which requires the consent of the Bond Trustee pursuant to the Entrenched Rights;

the quorum shall be one or more persons present holding Definitive Bonds or Individual Bond Certificates or voting certificates or being proxies or representatives and holding or representing not less than three-quarters of the Principal Amount Outstanding of the Bonds or, at any adjourned meeting, not less than one-quarter of the Principal Amount Outstanding of the Bonds.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Bondholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday

the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Bond Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Bond Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings. At any adjourned meeting one or more persons present holding Definitive Bonds or voting certificates or being proxies or representatives (whatever the Principal Amount Outstanding of the relevant Bonds so held or represented by them) shall (subject as provided below) form a quorum and shall have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present **provided that** at any adjourned meeting the quorum for the transaction of business comprising any of the matters specified in the proviso to paragraph 5 above shall be one or more persons present holding Definitive Bonds or voting certificates or being proxies or representatives and holding or representing not less than one-quarter of the Principal Amount Outstanding of the Bonds.

7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall, if so required by the Chairman, be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Bondholder or as a holder of a voting certificate or as a proxy or as a representative.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Programme Issuer, the Guarantors, the Bond Trustee or any person present holding a Definitive Bond or Individual Bond Certificates or a voting certificate or being a proxy or representative (whatever the Principal Amount Outstanding of the relevant Bonds so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be

the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Bond Trustee and its lawyers and any director, officer or employee of a corporation being a trustee of this Bond Trust Deed and any director or officer of the Programme Issuer or, as the case may be, the Guarantors and its or their lawyers and any other person authorised so to do by the Bond Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of "**outstanding**" (as set out in the Master Definitions Agreement), no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of Bondholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Bondholders by Condition 15 (Meetings of Bondholders, Modification, Waiver and Substitution) unless he either produces the Definitive Bond or Definitive Bonds of which he is the holder or a voting certificate or is a proxy or a representative. No person shall be entitled to vote at any meeting in respect of Bonds held by, for the benefit of, or on behalf of, the Programme Issuer, the Guarantors, any Subsidiary of the Programme Issuer or the Guarantors, any holding company of the Programme Issuer or the Guarantors or any Subsidiary of such holding company. Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy from being a director, officer or representative of or otherwise connected with the Programme Issuer or the Guarantors.
14. Subject as provided in paragraph 13 above at any meeting:
 - (A) on a show of hands every person who is present in person and produces a Definitive Bond or voting certificate or is a holder of an Individual Bond Certificate or is a proxy or representative shall have one vote; and
 - (B) on a poll every person who is so present shall have one vote in respect of each £1 or such other amount as the Bond Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Bonds denominated in another currency, such amount in such other currency as the Bond Trustee in its absolute discretion may stipulate) in Principal Amount Outstanding of the Definitive Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which (being an Individual Bond Certificate) he is the registered holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any block voting instruction or form of proxy and representatives need not be Bondholders.
16. Each block voting instruction together (if so requested by the Bond Trustee) with proof satisfactory to the Bond Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy shall be deposited by the relevant Paying Agent or (as the case may be) by the Registrar or the relevant Transfer Agent at such place as the Bond Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction and form of proxy shall (if the Bond Trustee so requires) be deposited with the Bond Trustee before the commencement of the meeting or adjourned meeting but the Bond Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.
17. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the relevant Bondholders' instructions pursuant to which it was executed **provided that** no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Registered Bond from the holder thereof by the Programme Issuer at its registered office (or such other place as may have been required or approved by the Bond Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.
18. A meeting of the Bondholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:
 - (A) Power to sanction any compromise or arrangement proposed to be made between the Programme Issuer, the Guarantors, the Bond Trustee and the Bondholders, Receipholders and Couponholders or any of them.
 - (B) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Bond Trustee, the Bondholders, the Receipholders, Couponholders, or the Programme Issuer or the Guarantors or against any other or others of them or against any of their property whether such rights shall arise under this Bond Trust Deed or otherwise.
 - (C) Power to assent to any modification of the provisions of this Bond Trust Deed or any other Finance Documents which shall be proposed by the Programme Issuer, the Guarantors, the Bond Trustee or any Bondholder.

- (D) Power to give any authority or sanction which under the provisions of this Bond Trust Deed is required to be given by Extraordinary Resolution.
 - (E) Power to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer upon such committee or committees any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution.
 - (F) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of this Bond Trust Deed.
 - (G) Power to discharge or exonerate the Bond Trustee and/or any Appointee from all liability in respect of any act or omission for which the Bond Trustee and/or such Appointee may have become responsible under this Bond Trust Deed.
 - (H) Power to authorise the Bond Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
 - (I) Power to sanction any scheme or proposal for the exchange or sale of the Bonds for or the conversion of the Bonds into or the cancellation of the Bonds in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the relevant Programme Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Bondholders to execute an instrument of transfer of the Registered Bonds held by them in favour of the persons with or to whom the Bonds are to be exchanged or sold respectively.
18. Any resolution passed at a meeting of the Bondholders duly convened and held in accordance with this Bond Trust Deed shall be binding upon all the relevant Bondholders whether present or not present at such meeting and whether or not voting and upon all relevant Receipholders and Couponholders and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Bondholders shall be published in accordance with Condition 17 (*Notices*) by the Programme Issuer within 14 days of such result being known **provided that** the non-publication of such notice shall not invalidate such result.
19. The expression "**Extraordinary Resolution**" when used in this Bond Trust Deed means (a) a resolution passed at a meeting of the Bondholders of a Sub-Class or Class duly convened and held in accordance with this Bond Trust Deed by a majority of not less than three-quarters of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-quarters of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of all the Bondholders who for the time being are entitled to receive notice of a meeting of

Bondholders, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Bondholders.

20. Minutes of all resolutions and proceedings at every meeting of the Bondholders shall be made and entered in books to be from time to time provided for that purpose by the Programme Issuer and any such minutes as aforesaid, if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted, shall be conclusive evidence of the matters therein contained and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made, shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
- 22.
- (A) If and whenever the Programme Issuer shall have issued and have outstanding Bonds of more than one Sub-Class the foregoing provisions of this Schedule shall have effect subject to the following modifications:
- (i) a resolution which in the opinion of the Bond Trustee affects the Bonds of only one Sub-Class shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Bonds of that Sub-Class;
 - (ii) a resolution which in the opinion of the Bond Trustee affects the Bonds of more than one Sub-Class but does not give rise to a conflict of interest between the holders of Bonds of any of the Sub-Class so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Bonds of all the Sub-Classes so affected;
 - (iii) a resolution which in the opinion of the Bond Trustee affects the Bonds of more than one Sub-Class and gives or may give rise to a conflict of interest between the holders of the Bonds of one Sub-Class or group of Sub-Classes so affected and the holders of the Bonds of another Sub-Class or group of Sub-Classes so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Bonds of each Sub-Class or group of Sub-Classes so affected; and
 - (iv) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Bonds and Bondholders were references to the Bonds of the Sub-Class or group of Sub-Classes in question or to the holders of such Bonds, as the case may be.
- (B) If the Programme Issuer shall have issued and have outstanding Bonds which are not denominated in sterling in the case of any meeting of holders of Bonds of more than one currency, the Principal Amount Outstanding of such Bonds shall (i) for the purposes of paragraph 2 above be the equivalent in sterling at the spot rate of a bank nominated by the Bond Trustee for the conversion of the relevant currency or currencies into sterling on the seventh dealing day prior to the day on which the requisition in writing is received by the

Programme Issuer and (ii) for the purposes of paragraphs 5, 6 and 14 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent at such spot rate on the seventh dealing day prior to the day of such meeting. In such circumstances, on any poll each person present shall have one vote for each £1 (or such other sterling amount as the Bond Trustee may in its absolute discretion stipulate) in Principal Amount Outstanding of the Bonds (converted as above) which he holds or represents.

23. Subject to all other provisions of this Bond Trust Deed the Bond Trustee may without the consent of the Programme Issuer, the Guarantors, the Bondholders, the Receipholders or the Couponholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Bondholders and attendance and voting thereat as the Bond Trustee may in its sole discretion think fit.

PART B

PROVISIONS FOR VOTING IN RESPECT OF STID DIRECT VOTING MATTERS

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 Defined terms and expressions used in the STID and the Master Definitions Agreement shall have the same meaning where used in this Part B of Schedule 4. In addition, the following expressions shall have the following meaning where used herein:

"24 hours" means a period of 24 hours including all or part of a day (disregarding for this purpose the Voting Date) upon which banks are open for business in both London and in each of the places where the Paying Agents and the Registrar have their specified offices and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid;

"Bonds" means the bonds held by a Qualifying Bondholder;

"Qualifying Bondholder" means, for so long as Qualifying Class A Debt remains outstanding, the holders of each Sub-Class of Class A Bonds or, following repayment in full of the Qualifying Class A Debt and for so long as Qualifying Class B Debt remains outstanding, the holders of each Sub-Class of Class B Bonds;

"Vote" means an instruction from a Qualifying Bondholder to the Bond Trustee to vote on its behalf in respect of a STID Direct Voting Matter, such instructions to be given in accordance with this Part B of Schedule 4 and **"Voting"** shall be construed accordingly; and

"Voting Date" means in respect of a Decision Period, the last day of the relevant Decision Period as determined in accordance with the STID.

1.2 In relation to Voting by the holders of Bearer Bonds only:

"**Block Voting Instruction**" means a document in the English language issued by a Paying Agent:

- (a) certifying that the Deposited Bonds have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:
 - (i) close of business (London time) on the Voting Date; and
 - (ii) the surrender to such Paying Agent, not less than 24 hours before the Voting Date of the receipt for the Deposited Bonds and notification thereof by such Paying Agent to the Bond Trustee;
- (b) certifying that the depositor of each Deposited Bond or a duly authorised person on its behalf has instructed the relevant Paying Agent that the Votes attributable to such Deposited Bond are to be cast in a particular way on a STID Direct Voting Matter and that, during the period of 24 hours prior to the Voting Date, such instructions may not be amended or revoked;
- (c) listing the aggregate principal amount and (if in definitive form) the serial numbers of the Deposited Bonds, distinguishing between those in respect of which instructions have been given to Vote for, or against, such STID Direct Voting Matter; and
- (d) authorising the Bond Trustee to vote in respect of the Deposited Bonds in connection with such STID Direct Voting Matter in accordance with such instructions and the provisions of this Part B of Schedule 4; and

"**Deposited Bonds**" means certain specified Bearer Bonds which have been deposited with a Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system, for the purposes of the issuance of a Block Voting Instruction.

1.3 In relation to Voting by the holders of Registered Bonds only:

"**Block Voting Instruction**" means a document in the English language issued by the Registrar:

- (a) certifying:
 - (i) (where the Registered Bonds are represented by a Global Bond Certificate) that certain specified Registered Bonds (each a "**Blocked Bond**") have been blocked in an account with a clearing system and will not be released until close of business (London time) on the Voting Date and that the holder of each Blocked Bond or a duly authorised person on its behalf has instructed the Registrar that the Votes attributable to such Blocked Bond are to be cast in a particular way on a STID Direct Voting Matter; or

- (ii) (where the Registered Bonds are represented by Individual Bond Certificates) that each registered holder of certain specified Registered Bonds (each a "**Relevant Bond**") or a duly authorised person on its behalf has instructed the Registrar that the Votes attributable to each Relevant Bond held by it are to be cast in a particular way on such STID Direct Voting Matter; and

in each case that, during the period of 24 hours prior to the Voting Date or deferred Voting Date (as the case may be), such instructions may not be amended or revoked;

- (b) listing the aggregate principal amount of the Blocked Bonds and the Relevant Bonds, distinguishing between those in respect of which instructions have been given to Vote for, or against, such STID Direct Voting Matter; and
- (c) authorising the Bond Trustee to vote in respect of the Blocked Bonds and the Relevant Bonds in connection with such STID Direct Voting Matter in accordance with such instructions and the provisions of this Part B of Schedule 4.

2. **STID MATTERS**

- 2.1 On receipt of a STID Matter that gives rise to an Entrenched Right of the Bondholders, the Bond Trustee shall forthwith (or, to the extent that the Bond Trustee has discretion pursuant to Clause 19 of the Bond Trust Deed to vote on such STID Matter without convening a meeting, may), in accordance with the provisions of Part A of Schedule 4, convene a meeting of the holders of each Class or Sub-Class of Bonds then outstanding and affected by such Entrenched Right. Following such meeting, the Bond Trustee shall notify the Security Trustee in writing of whether or not the holders of each Class or Sub-Class of Bonds affected by such Entrenched Right have passed an Extraordinary Resolution voting against the relevant STID Matter for the purposes of Part A (*Entrenched Rights of the Class A Creditors*) and, if applicable Part B (*Entrenched Rights of Class B Creditors*) of Schedule 2 (*Entrenched Rights*) to the STID.
- 2.2 Subject to paragraph 2.1 above, on receipt of a STID Direct Voting Matter from the Security Trustee, the Bond Trustee shall promptly send a copy of such STID Direct Voting Matter to the Qualifying Bondholders in accordance with Condition 17 (*Notices*). If the Programme Issuer (or the Transaction Agent on its behalf) has designated an electronic website for such purpose in accordance with paragraph 9 (*Electronic Form and Use of Websites*) of Part 1 (*Information Covenants*) of Schedule 4 (*Covenants*) to the Common Terms Agreement (such website to contain appropriate Bondholder notices and acknowledgements as may be required by applicable laws), the relevant Issuer shall promptly post a copy of such STID Direct Voting Matter to such website.
- 2.3 Each Qualifying Bondholder may only vote on a STID Direct Voting Matter by way of Block Voting Instruction. Subject as provided in clause 11.3 (*Physical Meetings*) of the STID, no physical meetings of Qualifying Bondholders will be held in respect of any Vote.

- 2.4 For the purposes of determining the Votes cast on a STID Direct Voting Matter by a Qualifying Bondholder, each Qualifying Bondholder shall have one vote in respect of each £1 (or its equivalent expressed in sterling on the basis of the Exchange Rate) of Principal Amount Outstanding of Bonds held or represented by it.
- 2.5 Each Qualifying Bondholder must vote on or prior to close of business (London time) on the Voting Date.
- 2.6 The Bond Trustee shall vote as the Class A DIG Representative or, as the case may be, the Class B DIG Representative of the Qualifying Bondholders in respect of a STID Direct Voting Matter by promptly notifying the Security Trustee, in accordance with the STID, of all Votes received by it from Qualifying Bondholders on or prior to the Voting Date.
- 2.7 Any STID Direct Voting Matter duly approved in accordance with the STID shall be binding on all Bondholders, Receiptholders and Couponholders (subject as provided in clause 8.7 (*Procedure for Discretion Matters*) of the STID). The Bond Trustee shall, following receipt from the Security Trustee of the result of any vote in respect of a STID Direct Voting Matter, promptly notify the Bondholders in accordance with Condition 17 (*Notices*).

3. **ISSUE OF BLOCK VOTING INSTRUCTIONS**

3.1 **Bearer Bonds**

The holder of a Bearer Bond may require any Paying Agent to issue a Block Voting Instruction by depositing such Bearer Bond with such Paying Agent or arranging for such Bearer Bond to be (to its satisfaction) held to its order or under its control or blocked in an account with a clearing system not later than 24 hours before the Voting Date. A Block Voting Instruction shall be valid until the release of the Deposited Bonds to which it relates. So long as a Block Voting Instruction is valid, the Bond Trustee shall be deemed to be the holder of the Bearer Bonds to which it relates for all purposes in connection with voting in respect of a STID Direct Voting Matter.

3.2 **Registered Bonds**

Where a Registered Bond is represented by a Global Bond Certificate, the holder of such Registered Bond may require the Registrar to issue a Block Voting Instruction by arranging (to the satisfaction the Registrar) for such Registered Bond to be blocked in an account with a clearing system not later than 24 hours before the Voting Date. The holder of a Individual Bond Certificate may require the Registrar to issue a Block Voting Instruction by delivering to the Registrar written instructions not later than 24 hours before the Voting Date.

4. **REFERENCES TO DEPOSIT/RELEASE OR BLOCKING/RELEASE OF BONDS**

4.1 **Bearer Bonds**

Where Bearer Bonds are represented by a Temporary Global Bond and/or a Permanent Global Bond or are held in definitive form within a clearing system, references to the deposit, or release, of Bearer Bonds shall be construed in accordance

with the usual practices (including blocking the relevant account) of such clearing system.

4.2 **Registered Bonds**

Where Registered Bonds are represented by a Global Bond Certificate, references to the blocking, or release, of Registered Bonds shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

5. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND FORMS OF PROXY**

5.1 **Bearer Bonds**

A Block Voting Instruction in relation to Bearer Bonds shall be valid only if it is deposited at the specified office of the relevant Paying Agent or at some other place approved by the Bond Trustee, at least 24 hours before the Voting Date. The Bond Trustee shall not be obliged to investigate the validity of any Block Voting Instruction.

5.2 **Registered Bonds**

Block Voting Instructions in relation to Registered Bonds shall be valid only if deposited at the specified office of the Registrar or at some other place approved by the Bond Trustee, at least 24 hours before the Voting Date. The Bond Trustee shall not be obliged to investigate the validity of any Block Voting Instruction.

6. **RECORD DATE**

The Bond Trustee may fix a record date for the holders of Registered Bonds **provided that** such record date is not more than 10 days prior to the Voting Date. The person in whose name a Registered Bond is registered in the Register on the record date at close of business in the city in which the Registrar has its specified office shall be deemed to be the holder of such Bond for the purposes of Voting on a STID Direct Voting Matter and notwithstanding any subsequent transfer of such Bond or entries in the relevant Register.

7. **VALIDITY OF VOTES BY THE BOND TRUSTEE**

Any vote cast by the Bond Trustee (as Class A DIG Representative or, as the case may be, the Class B DIG Representative of the Qualifying Bondholders) in accordance with the relevant Block Voting Instruction in relation to either Bearer Bonds or Registered Bonds shall be valid even if such Block Voting Instruction has been amended, revoked or re-issued, **provided that** the Bond Trustee has not been notified in writing of such amendment, revocation or re-issue by the time which is 24 hours before the Voting Date.

SCHEDULE 5
FORM OF ACCESSION MEMORANDUM - GUARANTOR

THIS DEED dated [*date*] is supplemental to the trust deed (the "**Bond Trust Deed**") dated _____ 2013 and made between Affinity Water Programme Finance Limited as Programme Issuer and Affinity Water Finance (2004) Limited, Affinity Water Holdings Limited and Affinity Water Limited as Guarantors and Deutsche Trustee Company Limited as Bond Trustee (as the same may from time to time be modified, restated, novated and/or supplemented).

Words and expressions defined in the Bond Trust Deed have the same meanings when used in this Deed.

[*insert name of acceding Guarantor*] (the "**Acceding Guarantor**") of [*insert address of acceding Guarantor*] hereby agrees with each other person who is or who becomes a party to the Bond Trust Deed that, with effect from the date on which the provisions of Clause 27 (*New Guarantors*) of the Bond Trust Deed have been complied with, the acceding Guarantor will become a party to and be bound by and benefit from the Bond Trust Deed and the supplemental deed delivered with this Deed as a Guarantor.

The address for notices to the acceding Guarantor is as follows:

[*insert address*]

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

[*insert name of acceding Guarantor*] has executed this Deed as a deed and intends to deliver and does deliver this Deed on the date stated above.

EXECUTED as a **DEED** by)
[*Acceding Guarantor*])
Director

.....
Director / Secretary/Witness

[Details of witness]

SIGNATORIES

Programme Issuer

EXECUTED as a **DEED** by
AFFINITY WATER PROGRAMME
FINANCE LIMITED
acting by its director

)
)
)
)



Richard Blenfalt
Director

.....

Existing Issuer

EXECUTED as a **DEED** by
AFFINITY WATER FINANCE (2004)
LIMITED
acting by its director

)
)
)
)



Richard Blenfalt
Director

.....

in the presence of:



.....

Signature of witness

Name of witness

Tim Monod
Company Secretary

Address of witness

Tamblin Way,
Hatfield,
Hertfordshire


Occupation of witness

AL10 9EZ

AWHL

EXECUTED as a **DEED** by
AFFINITY WATER
HOLDINGS LIMITED
acting by its director

)
)
)
)



Richard Blenfalt
Director

.....

in the presence of:



.....

Signature of witness

Tim Monod
Company Secretary

Name of witness

Address of witness

Tamblin Way,
Hatfield,
Hertfordshire

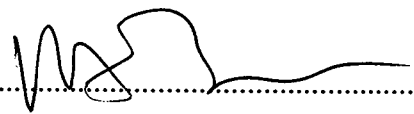
Occupation of witness

AL10 9EZ

AWL


EXECUTED as a **DEED** by
AFFINITY WATER LIMITED
acting by its director

)
)
) _____



Richard Bienfait
Director

in the presence of:

_____ 

Signature of witness

Name of witness

Tim Monod
Company Secretary

Address of witness

Tamblin Way,
Hatfield,
Hertfordshire

Occupation of witness

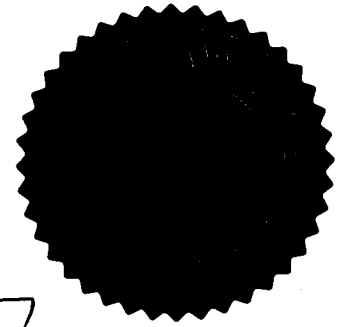
AL10 9EZ

Bond Trustee


The COMMON SEAL of
DEUTSCHE TRUSTEE COMPANY
LIMITED

)
)
)
)
)

was hereto affixed
in the presence of:



Associate Director

_____ 

Associate Director

_____ 