

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

2180720

Name of company

* Yorkshire Water First Finance Limited (the "**Company**")

Date of creation of the charge

10 October 2008

Description of the instrument (if any) creating or evidencing the charge (note 2)

A security assignment dated 10 October 2008 made by the Company in favour of The Royal Bank of Scotland plc as Senior Security Trustee for the Secured Parties (the "**Security Assignment**").

Amount secured by the mortgage or charge

Please see Schedule 2 (Amount secured by the mortgage or charge) and Schedule 1 (Definitions) attached.

Names and addresses of the mortgagees or persons entitled to the charge

The Royal Bank of Scotland plc, Level 5, 135 Bishopsgate, London

Postcode EC2M 3UR

Presentor's name address and reference (if any)

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

For official Use (06/2005)
Mortgage Section

Post room



LGLSE41X

17/10/2008

COMPANIES HOUSE

Time critical reference

FRIDAY

LD5

20

Short particulars of all the property mortgaged or charged

In the Security Assignment, the Company assigned absolutely and with full title guarantee to the Senior Security Trustee as trustee for the Secured Parties all of its right, title and interest, present and future, in, under and to the Contract including, without limitation, all present and future claims causes of action payments and proceeds in respect thereof

Please see Schedule 1 (Definitions) attached

Please do not
write in
this margin

**Please complete
legibly, preferably
in black type, or
bold block
lettering**

Particulars as to commission allowance or discount (note 3)

Signed

Clifford Chance LLP

Date 16 October 2008

On behalf of ~~XXXXXXXXXXXXXX~~ (chargee) †

**A fee is payable
to Companies
House in
respect of each
register entry
for a mortgage
or charge
(See Note 5)**

Notes

† delete as
appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395) If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398) A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No 398 is submitted
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given
- 3 In this section there should be inserted the amount or rate per cent of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his,
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return The rate of interest payable under the terms of the debentures should not be entered
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is Companies House, Crown Way, Cardiff CF14 3UZ

*Schedule to Form 395 relating to the Security Assignment entered into by Yorkshire Water
First Finance Limited (with registered company number 2180720) dated 10 October 2008*

SCHEDULE 1

Definitons

In this Form 395, unless the context otherwise requires.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company

"Ancillary Facility" means any ancillary facility defined as such in the Senior Facilities Agreement

"Ancillary Lender" means each Senior Lender (or Affiliate of a Senior Lender) which makes an Ancillary Facility available in accordance with the terms of the Senior Facilities Agreement

"Bidco" means Saltaire Water Limited (registration number 6433802)

"Contract" means the £16,775,548 intra-group loan arrangement between the Company and Kelda Group Limited the terms of which are set out in the letter dated 10 October 2008 from the Company to Kelda Group Limited (acknowledged by Kelda Group Limited) with subject title "Intra-Group Loan Arrangement"

"Finance Documents" means each of the Intercreditor Agreement, the Senior Finance Documents, the Senior Holdco Finance Documents, the Junior Holdco Finance Documents, any agreement evidencing the Intra-Group Liabilities, the Non-Reg Buffer Liabilities or the Non-Restricted Group Liabilities, and any other document designated as such under the terms of the Intercreditor Agreement

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary

"Initial Senior Holdco Finance Documents" means the "Finance Documents" as defined in the Senior Holdco Facility Agreement

"Intercreditor Agreement" means the agreement dated 26 November 2007 (as amended and restated from time to time) made between, among others, the Non-Reg Buffer, Senior Holdco, Bidco, the Senior Agent, the Senior Holdco Agent, the Senior Security Trustee, the Senior Holdco Security Trustee, the Senior Lenders, the Senior Holdco Lenders, the Senior Hedge Counterparties and the Senior Holdco Hedge Counterparties.

"Intra-Group Lenders" means each member of the Restricted Group which has made a loan available to, granted credit to, granted a guarantee or indemnity in favour of or made any other financial arrangement having similar effect with an Obligor and which is party to the Intercreditor Agreement as "Intra-Group Lender".

"Intra-Group Liabilities" means the Liabilities owed by any Obligor to any of the Intra-Group Lenders.

"Issuing Bank" means any Senior Lender which is an Issuing Bank as defined in the Senior Facilities Agreement

"Junior Holdco" means Kelda Junior Holdco Limited (formerly known as Skeldergate Junior Holdco Limited) with registered number 6433796

"Junior Holdco Facility Agreement" means the facility agreement to be entered into between, among others, Junior Holdco as borrower, the junior holdco agent (the **"Junior Holdco Agent"**), the junior holdco security trustee (the **"Junior Holdco Security Trustee"**) and the financial institutions named therein as junior holdco lenders (the **"Junior Holdco Lenders"**) in accordance with the terms of the Intercreditor Agreement

"Junior Holdco Finance Documents" means the "Finance Documents" as defined in the Junior Holdco Facility Agreement to be entered into in connection with the Junior Holdco Facility Agreement

"Liabilities" means all present and future liabilities and obligations at any time of any Obligor to any Lender, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations

- (a) any refinancing, novation, deferral or extension,
- (b) any claim for damages or restitution, and
- (c) any claim as a result of any recovery by any Obligor of a payment or discharge on the grounds of preference,

and any amounts which would be included in any of the above but for any discharge, non-provability or unenforceability of those amounts in any insolvency or other proceedings

"Licensed Undertaking" means Yorkshire Water Services Limited with registered number 2366682

"LNG Bank" means each Senior Holdco Lender which has become an "LNG Bank" in accordance with the terms of the Senior Holdco Facility Agreement.

"Non-Reg Buffer" means Kelda Buffer Limited (formerly known as Skeldergate Buffer Limited) with registration number 6433787

"Non-Reg Buffer Liabilities" means all liabilities owed by the Junior Holdco to the Non-Reg Buffer (including under the Non-Reg Buffer Intercompany Loan as defined in the Junior Holdco Facility Agreement)

"Non-Restricted Group" has the meaning ascribed to such term in the Senior Facilities Agreement

"Non-Restricted Group Lenders" means each member of the Non-Restricted Group which has made a loan to, granted credit to, granted a guarantee or indemnity in favour of or made any other financial arrangement having similar effect with an Obligor which is a member of the Restricted Group and which is a party to the Intercreditor Agreement as a Non-Restricted Group Lender.

"Non-Restricted Group Liabilities" means all liabilities owed by the Obligors that are members of the Restricted Group to members of the Non-Restricted Group.

"Obligor" means an each company which is party to the Intercreditor Agreement as an "Obligor" (as such term is defined in the Intercreditor Agreement).

"Permitted Additional Debt" has the meaning given to such term in the Senior Holdco Facility Agreement

"Permitted Additional Debt Documents" means each Permitted Additional Debt Facility Agreement and the "Finance Documents" as defined therein

"Permitted Additional Debt Facility Agreement" means the facility agreement documenting any Permitted Additional Debt.

"Permitted Additional Debt Lenders" means the lenders of any Permitted Additional Debt

"Restricted Group" means Junior Holdco, each Subsidiary of Junior Holdco that is a Holding Company of the Licensed Undertaking, the Licensed Undertaking and the Subsidiaries of the Licensed Undertaking from time to time

"Secured Parties" means the Senior Creditors, the Senior Holdco Creditors and the Junior Holdco Lenders (if any)

"Senior Creditors" means the Senior Lenders, each Issuing Bank, each Ancillary Lender and the Senior Hedge Counterparties

"Senior Facilities Agreement" means the agreement dated 26 November 2007 (as amended and restated from time to time) made between, among others, Bidco as original borrower and original guarantor, The Royal Bank of Scotland plc, HSBC Bank plc and Banco Santander S A , London Branch as mandated lead arrangers, The Royal Bank of Scotland plc as agent (the **"Senior Agent"**), and security trustee (the **"Senior Security Trustee"**) and the financial institutions named therein as lenders.

"Senior Finance Documents" means the "Finance Documents" as defined in the Senior Facilities Agreement.

"Senior Hedge Counterparties" means each Hedge Counterparty (as defined in the Senior Facilities Agreement) providing hedging pursuant to a Senior Hedging Agreement

"Senior Hedging Agreements" means any agreement entered into by a Senior Hedge Counterparty and defined as a "Hedging Agreement" in the Senior Facilities Agreement

"Senior Holdco" means Kelda Holdco Limited (formerly known as Skeldergate Holdco Limited) with registration number 6433799.

"Senior Holdco Creditors" means the Senior Holdco Lenders, the Senior Holdco Hedge Counterparties, the LNG Banks and the Permitted Additional Debt Lenders

"Senior Holdco Facility Agreement" means the agreement dated 26 November 2007 (as amended and restated from time to time), made between among others, Senior Holdco as the borrower, Bidco as original guarantor, The Royal Bank of Scotland plc, HSBC Bank plc and Banco Santander S A , London Branch as mandated lead arrangers, The Royal Bank of Scotland plc as agent (the **"Senior Holdco Agent"**), and senior security trustee and senior holdco security trustee (the **"Senior Holdco Security Trustee"**) and the financial institutions named therein as lenders

"Senior Holdco Finance Documents" means the Initial Senior Holdco Finance Documents and the Permitted Additional Debt Documents

"Senior Holdco Hedge Counterparties" means each Hedge Counterparty (as defined in the Senior Holdco Facility Agreement) providing hedging pursuant to a Senior Holdco Hedging Agreement

"Senior Holdco Hedging Agreements" means any agreement entered into by a Senior Holdco Hedge Counterparty and defined as a "Hedging Agreement" in the Senior Holdco Facility Agreement or the Permitted Additional Debt Facility Agreement

"Senior Holdco Lenders" means the Lenders under the Senior Holdco Facility Agreement

"Senior Lenders" means the Lenders under the Senior Facilities Agreement

"Subsidiary" means a subsidiary within the meaning of section 736 of the Companies Act 1985.

SCHEDULE 2

Amount secured by the mortgage or charge

- (a) Subject to paragraph (b) below, the Company covenanted with the Senior Security Trustee as trustee for the Secured Parties that it shall on demand of the Senior Security Trustee discharge all obligations which any Obligor may at any time have to the Senior Security Trustee (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties under or pursuant to the Finance Documents (including the Security Assignment) including any liability in respect of any further advances made under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity) and the Company shall pay to the Senior Security Trustee when due and payable every sum at any time owing, due or incurred by the Company to the Senior Security Trustee (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties in respect of any such liabilities **provided that** neither such covenant nor the security constituted by the Security Assignment shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law
- (b) The Company's covenant to pay in paragraph (a) above, shall at all times be limited in accordance with the terms set out in clause 23 10 (*Guarantee Limitations*) of the Senior Facilities Agreement and clause 20 10 (*Guarantee Limitations*) of the Senior Holdco Facility Agreement



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

**COMPANY NO. 2180720
CHARGE NO. 1**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SECURITY ASSIGNMENT DATED
10 OCTOBER 2008 AND CREATED BY YORKSHIRE WATER
FIRST FINANCE LIMITED FOR SECURING ALL MONIES DUE OR
TO BECOME DUE FROM THE COMPANY TO ROYAL BANK OF
SCOTLAND PLC AS SENIOR SECURITY TRUSTEE ON ANY
ACCOUNT WHATSOEVER UNDER THE TERMS OF THE
AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING
THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1
PART XII OF THE COMPANIES ACT 1985 ON THE 17 OCTOBER
2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21 OCTOBER
2008

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Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES