

MG01

Particulars of a mortgage or charge



103062/13

A fee is payable with this form.

We will not accept this form unless you send the correct fee

Please see 'How to pay' on the last page



What this form is for

You may use this form to register particulars of a mortgage or charge in England and Wales or Northern Ireland



What this form is NOT for

You cannot use this form to register particulars of a charge for a S company. To do this, please use form MG01s

WEDNESDAY



LD2 07/04/2010 103
COMPANIES HOUSE

1

Company details

Company number

0 5 0 4 6 7 9 1

Company name in full

Wales & West Utilities Limited (the "**Chargor**")

For official use



Filling in this form

Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

2

Date of creation of charge

Date of creation

d3 d1 m0 m3 y2 y0 y1 y0

3

Description

Please give a description of the instrument (if any) creating or evidencing the charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge'

Description

A security trust and intercreditor deed (the "**STID**") dated 31 March 2010 between, inter alios, the Chargor, Wales & West Utilities Holdings Limited ("**WWH**"), Wales & West Utilities Finance plc (the "**Issuer**") and Deutsche Trustee Company Limited (the "**Security Trustee**")

4

Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to any Secured Creditor under each Finance Document to which the Chargor is a party

Please also refer to the continuation pages attached hereto for definitions

Continuation page

Please use a continuation page if you need to enter more details

MG01 - continuation page
Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p style="text-align: center;">DEFINITIONS</p> <p>"Accession Memorandum" means (a) with respect to the STID, each memorandum to be entered into pursuant to Clause 2 (<i>Accession</i>) or Clause 19 (<i>Benefit of Deed</i>) (as applicable) of the STID and which is substantially in the form set out in Schedule 1 (<i>Form of Accession Memorandum</i>) to the STID, (b) with respect to the Bond Trust Deed, a memorandum in substantially the form set out in (i) Schedule 5 (<i>Form of Accession Memorandum - Financial Guarantor</i>) to the Bond Trust Deed pursuant to which a Financial Guarantor accedes to the Bond Trust Deed; or (ii) Schedule 6 (<i>Form of Accession Memorandum - Guarantor</i>) to the Bond Trust Deed pursuant to which a Guarantor accedes to the Bond Trust Deed, (c) with respect to the Agency Agreement, a memorandum in substantially the form set out in Schedule 3 (<i>Form of Accession Memorandum</i>) to the Agency Agreement pursuant to which a Guarantor accedes to the Agency Agreement, (d) with respect to the Tax Deed of Covenant, a memorandum in substantially the form set out in the Schedule 2 (<i>Form of Deed of Accession for Permitted Subsidiaries</i>) to the Tax Deed of Covenant pursuant to which a Permitted Subsidiary accedes to the Tax Deed of Covenant, (e) with respect to the Dealership Agreement, a memorandum in substantially the form set out in Schedule 3 (<i>Form of Accession Memorandum</i>) to the Dealership Agreement pursuant to which a Permitted Subsidiary accedes to the Dealership Agreement; (f) with respect to the Account Bank Agreement, a memorandum in substantially the form set out in Schedule 2 (<i>Form of Accession Memorandum</i>) to the Account Bank Agreement pursuant to which a Permitted Subsidiary accedes to the Account Bank Agreement</p> <p>"Account" means any bank account of any Obligor</p> <p>"Account Bank" means Barclays Bank PLC acting through its head office at 5 The North Colonnade, Canary Wharf, London or any successor account bank appointed pursuant to the Account Bank Agreement</p> <p>"Account Bank Agreement" means the account bank agreement dated on or about the Initial Closing Date between, among others, the Obligors, the Standstill Cash Manager, the Account Bank, and the Security Trustee.</p> <p>"Additional Finance Document Notice" means each notice entered into pursuant to Clause 3 (<i>Additional Finance Documents</i>) of the STID and which is substantially in the form set out in Schedule 3 (<i>Form of Additional Finance Document Notice</i>) to the STID</p> <p>"Additional Secured Creditor" means any person not already a Secured Creditor which becomes a Secured Creditor pursuant to the provisions of Clause 2 (<i>Accession</i>) of the STID and any person who is an existing Secured Creditor which is deemed to be bound by the STID in a different capacity pursuant to Clause 3 (<i>Additional Finance Documents</i>) of the STID, provided that, any Subordinated Creditor acceding to the STID pursuant to Clause 2.5 (<i>Accession of Subordinated Creditor</i>) of the STID will not constitute a Secured Creditor</p> <p>"Advance" means any advance or other credit accommodation (including, for the avoidance of doubt, any loan) provided under any Authorised Credit Facility</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>"Affiliate" means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company (other than in any Hedging Agreement when used in relation to a Hedge Counterparty, where "Affiliate" has the meaning given to it in that Hedging Agreement)</p> <p>"Agency Agreement" means the agreement dated on or about the Initial Closing Date between the Issuer, WWU and the Agents referred to therein under which, among other things, the Principal Paying Agent is appointed as issuing agent, principal paying agent and agent bank for the purposes of the Programme</p> <p>"Agent" means the Agent Bank, the Principal Paying Agent, the Existing Bond Paying Agent, the Registrar, the Transfer Agent and any Paying Agent or any other agent appointed by the Issuer pursuant to the Agency Agreement or the Calculation Agency Agreement</p> <p>"Agent Bank" means Deutsche Bank AG, London Branch (or any successor thereto) in its capacity as agent bank in respect of the Bonds under the Agency Agreement</p> <p>"Allowed Revenue" means the revenue that WWU is allowed to earn under its GT Licence</p> <p>"Ancillary Documents" means the valuations, reports, legal opinions, tax opinions, accountants' reports and the like addressed to or given for the benefit of the Security Trustee, any Obligor or any Secured Creditor in respect of the Security Assets</p> <p>"Annual Indexation Charge" means the cumulative indexation on a RPI Linked Hedging Agreement as at the last day of any Test Period less the cumulative indexation as at the last day of the preceding Test Period</p> <p>"Applicable Accounting Principles" means accounting principles, standards and practices generally accepted in the United Kingdom as applied from time to time and making such adjustments (if any) as the Auditors may consider appropriate arising out of changes to applicable accounting principles or otherwise from time to time</p> <p>"Approved Regulatory Depreciation" means, in relation to any date or any period, depreciation allowed by Ofgem in any Periodic Review in respect of assets comprising WWU's RAV</p> <p>"Associate" means</p> <ul style="list-style-type: none"> (a) any person who has a Controlling interest in any member of the WWU Financing Group or; (b) any person who is Controlled by a member of the WWU Financing Group, <p>and in each case, any Affiliate of such person</p> <p>"Auditors" means PricewaterhouseCoopers LLP or such other firm of accountants of</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>international reputé as may be appointed by WWU in accordance with the CTA as the Auditors for the WWU Financing Group</p> <p>"Authorised Credit Facility" means any facility or agreement entered into by WWU or the Issuer for Class A Debt or Class B Debt as permitted by the terms of the CTA or for the issue of Financial Guarantees in relation thereto, the providers of which have acceded to the STID and the CTA, and includes, without limitation, the Initial Term Facilities, the Initial Credit Facilities, the Liquidity Facilities, the Initial Issuer/WWU Loan Agreement, any EIB Authorised Credit Facility, the Bond Trust Deed, the Existing Bond Trust Deeds, the Bonds, the Existing Bonds, the Hedging Agreements, the Financial Guarantee Fee Letters, the G&R Deeds and any other document entered into in connection with the foregoing facilities or agreements or the transactions contemplated in the foregoing facilities or agreements (excluding, however, the Dealership Agreement and the Common Agreements (other than the Bond Trust Deed and the Existing Bond Trust Deeds))</p> <p>"Authorised Credit Provider" means a lender or other provider of credit or financial accommodation under any Authorised Credit Facility and includes each Issuing Bank, each Financial Guarantor for so long as any Financial Guarantee issued by that Financial Guarantor is outstanding, each Bondholder and each Existing Bondholder</p> <p>"Authorised Investments" means:</p> <ul style="list-style-type: none"> (a) securities issued by the Government; (b) demand or time deposits, certificates of deposit and short-term unsecured debt obligations, including commercial paper, provided that the issuing entity or, if such investment is guaranteed, the guaranteeing entity, is rated the Minimum Short-Term Rating; (c) any other obligations, provided that in each case the relevant investment has the Minimum Short-Term Rating and is either denominated in pounds sterling or (following the date on which the UK becomes a Participating Member State) euro or has been hedged in accordance with the Hedging Policy, or (d) any money market funds or equivalent investments which have a rating of at least A- by S&P and A- by Fitch <p>"Authority" means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000</p> <p>"Base Currency" means pounds sterling</p> <p>"Bearer Bonds" means those of the Bonds which are in bearer form.</p> <p>"Bondholders" means the holders from time to time of the Bonds</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>"Bonds" means the Class A Bonds and/or the Class B Bonds, as the context may require, and "Bond" shall be construed accordingly</p> <p>"Bond Trust Deed" means the bond trust deed dated on or about the Initial Closing Date between, among others, the Issuer and the Bond Trustee, under which the Bonds will, on issue, be constituted and any bond trust deed supplemental thereto</p> <p>"Bond Trustee" means Deutsche Trustee Company Limited or any successor trustee appointed pursuant to the Bond Trust Deed for and on behalf of the relevant Bondholders</p> <p>"Bond Trustee Reserved Matters" means those matters set out in Part B (<i>Bond Trustee Reserved Matters</i>) of Schedule 3 (<i>Reserved Matters</i>) to the STID</p> <p>"Business" means Transportation Business and Permitted Non-Transportation Business or otherwise as permitted under the Common Agreements.</p> <p>"Business Day" means (other than in any Hedging Agreement, where "Business Day" has the meaning given to it in that Hedging Agreement)</p> <p>(a) 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, and</p> <p>(b) 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 currency in which such financial indebtedness is denominated (which in the case of a payment in US dollars shall be New York) and in each (if any) additional city or cities specified in the relevant Final Terms.</p> <p>"Calculation Agency Agreement" means, in relation to the Bonds of any Tranche, an agreement in or substantially in the form of Schedule 1 (<i>Form of Calculation Agency Agreement</i>) to the Agency Agreement</p> <p>"Calculation Agent" means, in relation to any Tranche of Bonds, the person appointed as calculation agent in relation to such Tranche of Bonds by the Issuer pursuant to the provisions of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of such Tranche of Bonds.</p> <p>"Calculation Date" means (other than for the purposes of the Conditions and other than in any Hedging Agreement, where "Calculation Date" has the meaning given to it in that Hedging Agreement), 31 March and 30 September in each year starting on 30 September 2010 or any other calculation date agreed as a result of a change in the financial year end date of any Obligor, and, for the purposes of delivering the Initial Compliance Certificate</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>and calculating the ratios contained therein only, the Preliminary Calculation Date</p> <p>"Capex/Repex Facilities" means the Class A Capex/Repex Facility and the Class B Capex/Repex Facility</p> <p>"Capital Expenditure" means any capital expenditure made by WWU (net of any associated non-refundable grants and contributions received) incurred (or, in respect of any future period, forecast to be incurred) relating to increases in capacity or enhancement of service levels, quality or security of supply without taking account of expenditure relating to Replacement Expenditure</p> <p>"Capitalised Replacement Expenditure" means, in respect of any date, cumulative Replacement Expenditure incurred to such date to the extent that such Replacement Expenditure is expected, in the reasonable opinion of WWU, to be included in Ofgem's determination of RAV on the next Periodic Review Effective Date</p> <p>"Cash Cover Account" means one or more cash cover accounts set up to provide cash cover for a Letter of Credit in accordance with the terms of any Authorised Credit Facility pursuant to which a letter of credit facility is provided</p> <p>"Cash Manager" means the Standstill Cash Manager during and after a Standstill Period (except where a Standstill Period is terminated pursuant to Clause 13.4 1(c) (<i>Termination of Standstill</i>) of the STID) and at all other times WWU.</p> <p>"Class" means (i) in relation to the Bonds, each class of Bonds, the available classes of Bonds being Class A Wrapped Bonds, Class A Unwrapped Bonds, Class B Wrapped Bonds and Class B Unwrapped Bonds, and (ii) in relation to the Existing Bonds, each tranche or series of Existing Bonds.</p> <p>"Class A Adjusted ICR" means, in respect of a Test Period, the ratio of Net Cash Flow less Approved Regulatory Depreciation during such Test Period to Class A Debt Interest during such Test Period</p> <p>"Class A Bondholder" means a holder of a Class A Bond</p> <p>"Class A Bonds" means the Class A Wrapped Bonds and the Class A Unwrapped Bonds</p> <p>"Class A Capex/Repex Facility" means the £125,000,000 Class A capex/repex revolving loan facility provided to WWU pursuant to the Class A Initial Facility Agreement to fund (i) the financing or refinancing of WWU's Capital Expenditure and Replacement Expenditure requirements of the WWU Financing Group, and (ii) the general corporate purposes of WWU</p> <p>"Class A Debt" means any financial accommodation that is for the purposes of the STID to be treated as Class A Debt and includes:</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>(a) as at the Initial Closing Date all debt outstanding under</p> <ul style="list-style-type: none"> (i) the Class A Unwrapped Bonds issued by the Issuer on the Initial Closing Date (if any), (ii) the Existing Bonds, (iii) the Class A Initial Term Facilities, (iv) the Initial Credit Facilities (other than the Class B Capex/Repex Facility), (v) the Existing Hedging Agreements, (vi) the Initial DSR Liquidity Facility, (vii) the Initial O&M Reserve Facility, and <p>(b) following the Initial Closing Date all debt outstanding under paragraph (a) above and:</p> <ul style="list-style-type: none"> (i) any Class A Wrapped Bonds or Class A Unwrapped Bonds issued by the Issuer following the Initial Closing Date, (ii) any Hedging Agreements in respect of Class A Debt, (iii) any Financial Guarantee Fee Letter, (iv) any G&R Deed in respect of Class A Wrapped Bonds; (v) any O&M Reserve Facilities, (vi) any DSR Liquidity Facilities; (vii) any EIB Authorised Credit Facility, and (viii) any other further financial accommodation that is for the purposes of the STID to be treated as Class A Debt <p>"Class A Debt Instructing Group" or "Class A DIG" means a group of representatives (each a "Class A DIG Representative") of Qualifying Class A Debt Providers in respect of Qualifying Class A Debt, comprising</p> <p>(a) in respect of each Sub-Class of Class A Wrapped Bonds (if no FG Event of Default has occurred and is continuing in respect of the Financial Guarantor of those Wrapped Bonds), the Financial Guarantor of such Sub-Class of Class A Wrapped Bonds,</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>(b) in respect of each Sub-Class of Class A Wrapped Bonds (after an FG Event of Default has occurred and is continuing in respect of the Financial Guarantor of those Wrapped Bonds) and each Sub-Class of Class A Unwrapped Bonds and each Class of Existing Bonds, the Bond Trustee (provided that, unless</p> <p>(i) a Default Situation has occurred and is continuing (other than in respect of a STID Matter the subject of an Emergency Instruction Notice), or</p> <p>(ii) such proposal is the subject of an Entrenched Right or a Reserved Matter of the Class A Bondholders, or, as the case may be, the Existing Bondholders,</p> <p>the Class A Wrapped Bondholders (in respect of each such Sub-Class or Class of Class A Wrapped Bonds) or, as the case may be, the Class A Unwrapped Bondholders (in respect of each Sub-Class or Class of Class A Unwrapped Bonds) or, as the case may be, the Existing Bondholders shall each be entitled to participate directly in the Class A DIG and direct the Bond Trustee or, as the case may be, the Existing Bond Trustee to vote in respect of any STID Direct Voting Matters through the clearing system voting mechanics set out in Part B (<i>Provisions for Voting in respect of STID Direct Voting Matters</i>) of Schedule 4 to the Bond Trust Deed or, as the case may be, Schedule 6 (<i>Provisions for Voting in respect of STID Direct Voting Matters</i>) to the Existing Bond Trust Deeds);</p> <p>(c) in respect of the Class A Initial Term Facilities, the Class A Initial Facility Agent;</p> <p>(d) in respect of the Initial Credit Facilities (other than the L/C Facility and the Class B Capex/Repex Facility), the Class A Initial Facility Agent;</p> <p>(e) in respect of the L/C Facility, the Class A Initial L/C Facility Agent,</p> <p>(f) in respect of any EIB Authorised Credit Facility, the EIB Authorised Credit Provider; and/or</p> <p>(g) in respect of any other Secured Liabilities under any Authorised Credit Facility of the equivalent type or in replacement of those referred to in paragraphs (a) to (f) above (excluding, for the avoidance of doubt, liabilities in respect of Hedging Agreements or Liquidity Facilities) or (with the approval of the Majority Creditors) other types of Secured Liabilities that rank <i>pari passu</i> with all other Class A Debt, the relevant representative appointed under the terms of the relevant Finance Document and named in the relevant Accession Memorandum to the STID or, as the case may be, the relevant Additional Finance Document Notice as the Class A DIG Representative</p> <p>"Class A Debt Interest" means, in relation to any Test Period, and without double counting, an amount equal to the aggregate of</p> <p>(a) all interest and Recurring Fees or commissions paid or payable in relation to any</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>Test Period, on the WWU Financing Group's obligations under or in connection with all Class A Debt and any Permitted Financial Indebtedness which is unsecured, and</p> <p>(b) all fees paid or payable in relation to any Test Period, to any Financial Guarantor of any Class A Wrapped Bonds,</p> <p>in each case during such Test Period (after taking account of the anticipated receipts and payments of an interest or finance charge nature under all related Hedging Agreements then in force) (excluding all indexation of principal (other than in the case of a RPI Linked Hedging Agreement where the relevant Hedge Counterparty has the right to terminate such Hedging Agreement within 24 months of the relevant Calculation Date, in which case the Annual Indexation Charge in relation to such RPI Linked Hedging Agreement is added back), amortisation of the costs of issue of any Class A Debt within such Test Period and all other costs incurred in connection with the raising of such Class A Debt),</p> <p>less all interest received or in respect of forward-looking elements of a Test Period receivable by any member of the WWU Financing Group from a third party during such period (to the extent not included in the calculation of Net Cash Flow and excluding any interest received or receivable by the WWU Financing Group under any Intra-Group Loan or any loan or other forms of Financial Indebtedness to Affiliates).</p> <p>"Class A Debt Provider" means a provider of, or Financial Guarantor of, Class A Debt.</p> <p>"Class A Debt Service Reserve Account" means the account of WWU entitled "Class A Debt Service Reserve Account" held at the Account Bank and includes any sub-account relating to that account and any replacement from time to time</p> <p>"Class A Initial Credit Facility Providers" means each of Banco Santander, S A., London Branch, Barclays Bank PLC, BNP Paribas, London Branch, ING Bank N.V., London Branch, National Australia Bank Limited (ABN 12 004 044 937) and The Royal Bank of Scotland plc or any successors thereto.</p> <p>"Class A Initial Facility Agent" means Barclays Bank PLC acting through its head office at 5 The North Colonnade, Canary Wharf, London and any successors thereto</p> <p>"Class A Initial Term Facilities" means the Class A term facilities made available to WWU under the Class A Initial Facility Agreement</p> <p>"Class A Initial Facility Agreement" means the facility agreement entered into between, <i>inter alios</i>, WWU, the Class A Initial Term Facility Providers and the Class A Initial Credit Facility Providers on or about the Initial Closing Date under which the Class A Initial Term Facility, the Class A Capex/Repex Facility and the Working Capital Facility are made available to WWU</p> <p>"Class A Initial L/C Facility Agent" means Barclays Bank PLC and any successors</p>

MG01 - continuation page
Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>thereto</p> <p>"Class A Initial L/C Facility Agreement" means the facility agreement entered into between, <i>inter alios</i>, WWU, the Initial Issuing Bank and the Initial L/C Facility Provider on or about the Initial Closing Date under which the L/C Facility is made available to WWU.</p> <p>"Class A Initial Term Facility Providers" means each of Banco Santander, S.A., London Branch, Barclays Bank PLC, BNP Paribas, London Branch, ING Bank N V, London Branch, National Australia Bank Limited (ABN 12 004 044 937) and The Royal Bank of Scotland plc or any successors thereto</p> <p>"Class A Net Indebtedness" means, as at any date:</p> <p>(a) the aggregate of the WWU Financing Group's nominal Financial Indebtedness outstanding (or, in respect of a future date, forecast to be outstanding) under and in connection with any Class A Debt on such date (excluding any un-crystallised mark to market amount relating to any Hedging Agreement and, to the extent that the Financial Indebtedness thereunder remains a contingent liability, Financial Indebtedness referred to in paragraphs (b) and (k) of the definition of Financial Indebtedness) and the nominal amount outstanding of any Financial Indebtedness pursuant to paragraph (d) of the definition of Permitted Financial Indebtedness (or, in respect of a future date, forecast to be outstanding) on such date (in each case including all accretions by indexation to the notional amount under any RPI Linked Hedging Agreement and all indexation accrued on any liabilities which are indexed); less</p> <p>(b) the value of all Authorised Investments and other amounts standing to the credit of any Account (other than any amounts which represent Distributions which have been declared but not yet paid on such date and other than amounts standing to the credit of (or Authorised Investments made utilising amounts standing to the credit of) any Debt Service Reserve Account, the O&M Reserve Account, any Cash Cover Account, any Mandatory Prepayment Account, the Compensation Account or any Swap Collateral Account),</p> <p>provided that, where such debt is denominated other than in sterling, the nominal amount outstanding will be calculated: (i) in respect of debt with associated Currency Hedging Agreements, by reference to the applicable hedge rates specified in the relevant Currency Hedging Agreements, or (ii) in respect of debt with no associated Currency Hedging Agreements, by reference to the Exchange Rate on such date</p> <p>"Class A RAR" means, in respect of any Test Date, the ratio of Class A Net Indebtedness to RAV at such Test Date</p> <p>"Class A Required Balance" means, on any Payment Date:</p> <p>(a) if the Senior RAR as calculated at the most recently occurring Calculation Date for</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>each Test Date (taking into account the incurrence of any Financial Indebtedness pursuant to Paragraph (i) of the definition of Permitted Financial Indebtedness following such Calculation Date) is equal to or less than 67.5 per cent , zero; and</p> <p>(b) if the Senior RAR as calculated at the most recently occurring Calculation Date for any Test Date (taking into account the incurrence of any Financial Indebtedness pursuant to Paragraph (i) of the definition of Permitted Financial Indebtedness following such Calculation Date) is greater than 67.5 per cent , an amount equal to the next 12 months' interest and other finance charges (falling within the definition of Class A Debt Interest (but excluding all indexation of principal) forecast to be due on the Class A Debt, after taking into account any anticipated receipts and payments of an interest or finance charge nature under any Hedging Agreement then in place in respect of any Class A Debt</p> <p>"Class A Unwrapped Bonds" means the Class A Bonds that do not have the benefit of a Financial Guarantee.</p> <p>"Class A Wrapped Bondholder" means a holder of a Class A Wrapped Bond.</p> <p>"Class A Wrapped Bonds" means the Class A Bonds that have the benefit of a Financial Guarantee</p> <p>"Class B Bondholder" means a holder of a Class B Bond</p> <p>"Class B Bonds" means the Class B Wrapped Bonds and the Class B Unwrapped Bonds.</p> <p>"Class B Capex/Repex Facility" means the £25,000,000 Class B capex/repex revolving loan facility provided to WWU pursuant to the Class B Initial Facility Agreement to fund (i) the financing or refinancing of WWU's Capital Expenditure and Replacement Expenditure requirements of the WWU Financing Group, and (ii) the general corporate purposes of WWU.</p> <p>"Class B Debt" means any financial accommodation that is, for the purposes of the STID, to be treated as Class B Debt and includes</p> <p>(a) as at the Initial Closing Date all debt outstanding under</p> <p style="padding-left: 40px;">(i) the Class B Capex/Repex Facility; and</p> <p style="padding-left: 40px;">(ii) the Class B Unwrapped Bonds issued by the Issuer on the Initial Closing Date, and</p> <p>(b) following the Initial Closing Date all debt outstanding under paragraph (a) above and</p> <p style="padding-left: 40px;">(i) the Class B Wrapped Bonds and the Class B Unwrapped Bonds issued by the</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>Issuer after the Initial Closing Date;</p> <ul style="list-style-type: none"> (ii) the G&R Deed in respect of any Class B Wrapped Bonds, (iii) any Currency Hedging Agreements in respect of Class B Debt, and (iv) any further financial accommodation that is, for the purposes of the STID, to be treated as Class B Debt. <p>"Class B Debt Instructing Group" or "Class B DIG" means a group of representatives (each a "Class B DIG Representative") of Qualifying Class B Debt Providers in respect of Qualifying Class B Debt, comprising</p> <ul style="list-style-type: none"> (a) in respect of each Sub-Class of Class B Wrapped Bonds (if no FG Event of Default has occurred and is continuing in respect of the Financial Guarantor of those Wrapped Bonds), the Financial Guarantor of such Sub-Class of Class B Wrapped Bonds, (b) in respect of each Sub-Class of Class B Wrapped Bonds (after an FG Event of Default has occurred and is continuing in respect of the relevant Financial Guarantor) and each Sub-Class of Class B Unwrapped Bonds, the Bond Trustee (provided that, unless <ul style="list-style-type: none"> (i) a Default Situation has occurred and is continuing (other than in respect of a STID Matter the subject of an Emergency Instruction Notice): or (ii) such proposal is the subject of an Entrenched Right or a Reserved Matter of the Class B Bondholders, <p>the Class B Wrapped Bondholders (in respect of each such Sub-Class or Class of Class B Wrapped Bonds) or the other holders of the Class B Unwrapped Bonds (in respect of each Sub-Class or Class of Class B Unwrapped Bonds) shall each be entitled to participate directly in the Class B DIG and direct the Bond Trustee to vote in respect of any STID Direct Voting Matters through the clearing system voting mechanics set out in Part B (Provisions for Voting in respect of STID Direct Voting Matters) of Schedule 4 to the Bond Trust Deed or, as the case may be, Schedule 6 (Provisions for Voting in respect of STID Direct Voting Matters) to the Existing Bond Trust Deeds, and</p> <ul style="list-style-type: none"> (c) in respect of the Class B Capex/Repex Facility, the Class B Initial Facility Agent, and/or (d) in respect of any other Secured Liabilities under any Authorised Credit Facility of the equivalent type or in replacement of those referred to in paragraphs (a) to (c) above (excluding, for the avoidance of doubt, liabilities in respect of any Currency Hedging Agreements in relation to Class B Debt) or (with the approval of the Majority Creditors) other types of Secured Liabilities that rank pari passu with all

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
Amount secured	Please give us details of the amount secured by the mortgage or charge	<p>other Class B Debt, the relevant representative appointed under the terms of the relevant Finance Document and named in relevant Accession Memorandum to the STID or, as the case may be, the relevant Additional Finance Document Notice as the Class B DIG Representative.</p> <p>"Class B Debt Service Reserve Account" means the account of WWU entitled "Class B Debt Service Reserve Account" held at the Account Bank and includes any sub account relating to that account and any replacement from time to time</p> <p>"Class B Initial Credit Facility Providers" means each of Barclays Bank PLC, BNP Paribas, London Branch, ING Bank N.V , London Branch, National Australia Bank Limited (ABN 12 004 044 937) and The Royal Bank of Scotland plc or any successors thereto</p> <p>"Class B Initial Facility Agent" means Barclays Bank PLC acting through its head office at 5 The North Colonnade, Canary Wharf, London or any successor thereto</p> <p>"Class B Initial Facility Agreement" means the facility agreement entered into between, <i>inter alios</i>, WWU and the Class B Initial Credit Facility Providers on or about the Initial Closing Date under which the Class B Capex/Repex Facility is made available to WWU</p> <p>"Class B Unwrapped Bonds" means the Class B Bonds that do not have the benefit of a Financial Guarantee</p> <p>"Class B Wrapped Bondholder" means a holder of a Class B Wrapped Bond</p> <p>"Class B Wrapped Bonds" means the Class B Bonds that have the benefit of a Financial Guarantee from a Financial Guarantor</p> <p>"Common Agreements" means the Security Documents, the Bond Trust Deed, the Existing Bond Trust Deeds, the CTA, the Master Definitions Agreement, the Account Bank Agreement, the CP Agreement, the Tax Deed of Covenant, the Calculation Agency Agreement and any Finance Document to which no Secured Creditor other than the Security Trustee and/or the Issuer and/or any Agent is a party</p> <p>"Common Terms Agreement" or "CTA" means the common terms agreement entered into on or about the Initial Closing Date between the parties to the Master Definitions Agreement</p> <p>"Companies Act" shall have the same meaning as "Companies Acts" in section 2 of the Companies Act 2006 but shall only extend to provisions which are in force at the relevant date.</p> <p>"Compensation Account" means the account of WWU entitled "Compensation Account" held at the Account Bank and includes any sub-account relating to that account and any replacement from time to time</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>"Compliance Certificate" means a certificate, substantially in the form of Part 1 of Schedule 8 (<i>Form of Compliance Certificate</i>) of the CTA in which each of the Issuer and WWU periodically, provides certain financial statements to, <i>inter alios</i>, the Security Trustee the Bond Trustee, the Existing Bond Trustee and each Rating Agency as required by the CTA provided that, in respect of the Preliminary Calculation Date, it means a certificate, substantially in the form of Part 2 of Schedule 8 (<i>Form of Compliance Certificate</i>) of the CTA (the "Initial Compliance Certificate") in which the Issuer and WWU provides certain financial statements to, <i>inter alios</i>, the Security Trustee, the Bond Trustee, the Existing Bond Trustee and each Rating Agency as required by the CTA</p> <p>"Conditions" means the terms and conditions of the Bonds set out in the Bond Trust Deed as may from time to time be amended, modified, varied or supplemented by the relevant Final Terms or in the manner permitted under the STID and any reference to a numbered "Condition" is to the correspondingly numbered provision thereof.</p> <p>"Control" of one person by another person means (other than in the Tax Deed of Covenant where it has the meaning defined therein) that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise and whether acting alone or in concert with another or others) has the power to appoint and/or remove the majority of the members of the governing body of that person or otherwise controls or has the power to control the affairs and policies of that person (and references to "Controlled" and "Controlling" shall be construed accordingly).</p> <p>"Coupon" means an interest coupon appertaining to a Definitive Bond (other than a Zero Coupon Bond) such coupon being:</p> <ul style="list-style-type: none"> (a) if appertaining to a Fixed Rate Bond, a Floating Rate Bond or an Indexed Bond, in the form or substantially in the form set out in Part E (<i>Form of Coupon</i>) of Schedule 2 (<i>Forms of Global and Definitive Bonds, Receipts, Coupons and Talons</i>) to the Bond Trust Deed or in such other form, having regard to the terms of issue of the Bonds of the relevant Sub-Class, as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), or (b) if appertaining to a Definitive Bond which is neither a Fixed Rate Bond nor a Floating Rate Bond nor an Indexed Bond, in such form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), <p>and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 14 (<i>Replacement of Bonds, Coupons, Receipts and Talons</i>)</p> <p>"Court" means the High Court of England and Wales.</p> <p>"CP Agreement" means the conditions precedent agreement, dated on or around the date of the Prospectus between, among others, the Bond Trustee, the Security Trustee and the</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>Obligors</p> <p>"Currency Hedging Agreement" means any Hedging Agreement with a Hedge Counterparty in respect of one or more Hedging Transactions to hedge against exposure to currency exchange rates.</p> <p>"Date Prior" means, at any time, the date which is one day before the next Periodic Review Effective Date</p> <p>"Dealers" means Banco Santander, S A., Barclays Bank PLC, BNP Paribas, London Branch, ING Belgium S.A , National Australia Bank Limited (ABN 12 004 044 937), The Royal Bank of Scotland plc and together with any other dealer appointed from time to time by the Issuer and the other Guarantors pursuant to the Dealership Agreement and references to a "relevant Dealer" or the "relevant Dealer(s)" mean, in relation to any Tranche of Bonds, the Dealer or Dealers with whom the Issuer has agreed the issue of the Bonds of such Tranche and "Dealer" means any one of them</p> <p>"Dealership Agreement" means the agreement dated 17 March 2010 between the Issuer, the Obligors and the Dealers named therein (or deemed named therein) concerning the purchase of Bonds to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating or modifying such agreement and any accession letters and/or agreements supplemental thereto</p> <p>"Debt Service Payment Account" means the account of WWU entitled "Debt Service Payment Account" held at the Account Bank and includes any sub-account relating to that account and any replacement from time to time.</p> <p>"Debt Service Reserve Account" means each of the Class A Debt Service Reserve Account and the Class B Debt Service Reserve Account</p> <p>"Default" means</p> <ul style="list-style-type: none"> (a) an Event of Default, (b) a Trigger Event; or (c) a Potential Event of Default <p>"Default Situation" means any period during which there subsists an Event of Default.</p> <p>"Definitive Bond" means a Bearer Bond in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and the Bond Trust Deed in exchange for either a Temporary Global Bond or part thereof or a Permanent Global Bond (all as indicated in the applicable Final</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>Terms), such Bearer Bond in definitive form being in the form or substantially in the form set out in Part C (<i>Form of Definitive Bond</i>) of Schedule 2 (<i>Forms of Global and Definitive Bonds, Receipts, Coupons and Talons</i>) to the Bond Trust Deed and having the Conditions endorsed thereon and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and (except in the case of a Zero Coupon Bond in bearer form) having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue</p> <p>"DIG Directions Request" has the meaning given to such term in Clause 9 7 2 (<i>DIG Directions Request</i>) of the STID.</p> <p>"DIG Proposal" has the meaning given to such term in Clause 9 7 1 (<i>DIG Directions Request</i>) of the STID</p> <p>"DIG Representative" means each Class A DIG Representative or, as the case may be, Class B DIG Representative</p> <p>"Directors" means the Board of Directors for the time being of the relevant Obligor and "Director" means any director in such board</p> <p>"Distribution" means, any payments (including any payments of distributions, dividends, bonus issues, return of capital, fees, interest, principal or other amounts whatsoever) (by way of loan or repayment of any loan or otherwise) (in cash or in kind) to any Associate other than.</p> <p>(a) payments made to such persons pursuant to arrangements entered into for the provision of management and know-how services and which are entered into on bona fide arm's length terms in the ordinary and usual course of trading (including pursuant to any agreement made or to be made between WWU or any other member of the WWU Financing Group and any shareholder of the MGN (UK) Group or Affiliate of such shareholder in relation to the provision of financial, operational or corporate advisory services) to the extent that the aggregate of all such payments does not exceed 1 per cent of RAV in any consecutive twelve month period;</p> <p>(b) (except for any payments that fall within paragraph (a) above) payments made to such persons pursuant to arrangements for the provision of goods or services which are entered into on bona fide arm's length terms in the ordinary and usual course of trading;</p> <p>(c) payments made to such persons pursuant to arrangements entered into on terms that are not bona fide and arm's length in the ordinary and usual course of trading to the extent that the aggregate of all such payments does not exceed 0.1 per cent. of RAV in any consecutive twelve month period; or</p> <p>(d) any payments made to such persons in respect of a Permitted Post Closing Event.</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>"DSR Liquidity Facility" means the Initial DSR Liquidity Facility and any other debt service reserve liquidity facility made available under a DSR Liquidity Facility Agreement</p> <p>"DSR Liquidity Facility Agreement" means any Liquidity Facility Agreement pursuant to which a DSR Liquidity Facility is made available</p> <p>"DSR Liquidity Facility Provider" means any lender appointed from time to time under a DSR Liquidity Facility Agreement</p> <p>"EA" means the United Kingdom Energy Act 2004, as amended by subsequent legislation.</p> <p>"Early Break Treasury Transaction" means a Treasury Transaction in respect of which the relevant Hedging Agreement contains a mandatory termination provision falling and/or an optional termination right of the relevant Hedge Counterparty to terminate the relevant Treasury Transaction prior to the scheduled maturity of such Treasury Transaction and, as at the Initial Closing Date, includes each RPI Linked Hedging Transaction entered into pursuant to the Existing Hedging Agreements</p> <p>"EIB" or "EIB Authorised Credit Provider" means the European Investment Bank</p> <p>"EIB Authorised Credit Facility" means any facility provided to WWU by the EIB pursuant to an EIB Authorised Credit Facility Agreement</p> <p>"EIB Authorised Credit Facility Agreement" means any facility agreement between the EIB and WWU in respect of which the EIB has agreed to be bound by the terms of the CTA and the STID</p> <p>"Emergency" means the disruption of the normal service of the provision of gas transportation services which is treated as an emergency under WWU's policies, standards and procedures for emergency planning manual</p> <p>"Emergency Instruction Notice" has the meaning given to such term in Clause 9 14 1 (<i>Emergency Instruction Procedure</i>) of the STID.</p> <p>"Emergency Instruction Procedure" means an emergency instruction procedure provided for in the STID, subject to Entrenched Rights and Reserved Matters, to cater for circumstances when a Default Situation is subsisting, and certain decisions and instructions may be required in a timeframe which does not allow the Bond Trustee or, as the case may be, the Existing Bond Trustee to convene Bondholder meetings</p> <p>"Entrenched Rights" means the rights of the Secured Creditors provided by the terms of Clauses 8 3 (<i>Entrenched Rights of Class A Debt Providers</i>) to 8 8 (<i>Entrenched Rights of the Hedge Counterparties</i>) (inclusive) of the STID (including any supplemental Entrenched Rights stipulated in respect of an Additional Secured Creditor in the relevant Accession Memorandum to the STID)</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>"Equivalent Amount" means the amount in question expressed in the terms of the Base Currency, calculated on the basis of the Exchange Rate</p> <p>"Event of Default" means (other than in any Hedging Agreement when used in relation to a Hedge Counterparty, where "Event of Default" has the meaning given to it in that Hedging Agreement) an event specified as such in Schedule 6 (<i>Events of Default</i>) to the CTA.</p> <p>"Exchange Rate" means the spot rate at which the Non-Base Currency is converted to the Base Currency as quoted by the Agent Bank as at 11 00 a.m</p> <p>(a) for the purposes of Clause 9.3 (<i>Notice to Secured Creditors of STID Proposal</i>) and Clause 9.7 (<i>DIG Directions Request</i>) of the STID, respectively on the date that the STID Proposal or DIG Proposal (as applicable) is dated; and</p> <p>(b) in any other case, on the date as of which calculation of the Equivalent Amount of the Outstanding Principal Amount is required,</p> <p>and in each case, as notified by the Agent Bank to the Security Trustee</p> <p>"Excluded Treasury Transaction" means each Early Break Treasury Transaction in respect of which the Relevant Termination Date as defined in the CTA falls prior to the tenth anniversary of the original effective date of such Treasury Transaction, provided that, an Early Break Treasury Transaction will cease to be an Excluded Treasury Transaction if the mandatory or, as the case may be, optional termination provisions in respect thereof are amended, in accordance with the terms of the CTA and the STID, such that the Relevant Termination Date falls on or after the tenth anniversary of the original effective date of such Early Break Treasury Transaction.</p> <p>"Existing Bondholders" means the holders from time to time of the Existing Bonds.</p> <p>"Existing Bond Paying Agency Agreement" means the paying agency agreement dated 10 July 2009 between, <i>inter alios</i>, the Issuer and the Existing Bond Paying Agents as amended on 2 December 2009 and as amended and restated on or about the Initial Closing Date</p> <p>"Existing Bond Paying Agent" means Deutsche Bank AG, London Branch acting as paying agent in respect of the Existing Bonds and any of its successors.</p> <p>"Existing Bonds" means</p> <p>(a) the £250,000,000 6.25 per cent. Guaranteed Bonds due 2021 issued by the Issuer on 10 July 2009, and</p> <p>(b) the £200,000,000 5.125 per cent. Guaranteed Bonds due 2016 issued by the Issuer on 2 December 2009</p> <p>"Existing Bond Trust Deed" means</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>(a) in relation to the Existing Bonds listed at paragraph (a) of the definition of Existing Bonds, the trust deed dated 10 July 2009 between, <i>inter alia</i>, the Issuer and the Existing Bond Trustee; and</p> <p>(b) in relation to the Existing Bonds listed at paragraph (b) of the definition of Existing Bonds, the first supplemental trust deed dated 2 December 2009 between, <i>inter alia</i>, the Issuer and the Existing Bond Trustee which is supplemental to the Existing Bond Trust Deed referred to in paragraph (a) above,</p> <p>in each case, as amended and restated on or about the Initial Closing Date.</p> <p>"Existing Bond Trustee" means Deutsche Trustee Company Limited, or any successor trustee appointed pursuant to the Existing Bond Trust Deed for and on behalf of the relevant Existing Bondholders</p> <p>"Existing Bond Trustee Reserved Matters" means those matters set out in Part C (<i>Existing Bond Trustee Reserved Matters</i>) of Schedule 3 (<i>Reserved Matters</i>) to the STID.</p> <p>"Existing Hedge Counterparties" means each of Banco Santander, S A , Barclays Bank PLC, BNP Paribas, Citibank, N.A., London Branch, Deutsche Bank AG, London Branch, DnB NOR Bank ASA, ING Bank N V , National Australia Bank Limited (ABN 12 004 044 937), Morgan Stanley & Co International plc and The Royal Bank of Scotland plc and any successors thereto</p> <p>"Existing Hedging Agreements" means each of the following</p> <p>(a) the 1992 ISDA Master Agreement and schedule thereto, each dated as of 21 June 2005 (as amended from time to time and as amended and supplemented on or about the Initial Closing Date pursuant to (i) an amendment and restatement agreement relating to the 1992 ISDA Master Agreement and schedule thereto incorporating a credit support annex, and (ii) an amendment and restatement agreement relating to RPI Linked Hedging Transactions) and made between WWU and Barclays Bank plc;</p> <p>(b) the 1992 ISDA Master Agreement and schedule thereto, each dated as of 21 May 2009 (as amended from time to time and as amended and supplemented on or about the Initial Closing Date pursuant to (i) an amendment and restatement agreement relating to the 1992 ISDA Master Agreement and schedule thereto incorporating a credit support annex, and (ii) an amendment and restatement agreement relating to an RPI Linked Hedging Transaction and a nominal Interest Rate Hedging Transaction) and made between WWU and Deutsche Bank AG, London Branch,</p> <p>(c) the 1992 ISDA Master Agreement and schedule thereto, each dated as of 21 May 2009 (as amended from time to time and as amended and supplemented on or about the Initial Closing Date pursuant to (i) an amendment and restatement agreement relating to the 1992 ISDA Master Agreement and schedule thereto incorporating a credit support annex, and (ii) an amendment and restatement agreement relating to</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>RPI Linked Hedging Transactions) and made between WWU and Morgan Stanley & Co International plc,</p> <p>(d) the 1992 ISDA Master Agreement and schedule thereto dated, each dated as of 21 June 2005 (as amended from time to time and as amended and supplemented on or about the Initial Closing Date pursuant to (i) an amendment and restatement agreement relating to the 1992 ISDA Master Agreement and schedule thereto incorporating a credit support annex; and (ii) an amendment and restatement agreement relating to RPI Linked Hedging Transactions) and made between WWU and The Royal Bank of Scotland plc,</p> <p>(e) the 1992 ISDA Master Agreement and schedule and credit support annex attached thereto, as supplemented by the amendment and restatement agreement relating to an RPI Linked Hedging Transaction, each dated on or about the Initial Closing Date and made between WWU and Banco Santander, S A ,</p> <p>(f) the 1992 ISDA Master Agreement and schedule and credit support annex attached thereto, as supplemented by an amendment and restatement agreement relating to RPI Linked Hedging Transactions dated on or about the Initial Closing Date and made between WWU and BNP Paribas,</p> <p>(g) the 1992 ISDA Master Agreement and schedule and credit support annex attached thereto, as supplemented by an amendment and restatement agreement relating to RPI Linked Hedging Transactions, each dated on or about the Initial Closing Date and made between WWU and Citibank N.A., London Branch;</p> <p>(h) the 1992 ISDA Master Agreement and schedule and credit support annex attached thereto, as supplemented by an amendment and restatement agreement relating to an RPI Linked Hedging Transaction, each dated on or about the Initial Closing Date and made between WWU and DnB NOR Bank ASA,</p> <p>(i) the 1992 ISDA Master Agreement and schedule and credit support annex attached thereto, as supplemented by an amendment and restatement agreement relating to an RPI Linked Hedging Transaction, each dated on or about the Initial Closing Date and made between WWU and ING Bank N V , and</p> <p>(j) the 1992 ISDA Master Agreement and schedule and credit support annex attached thereto, as supplemented by an amendment and restatement agreement relating to an RPI Linked Hedging Transaction, each dated on or about the Initial Closing Date and made between WWU and National Australia Bank Limited (ABN 12 004 044 937)</p> <p>"Extraordinary Resolution" has the meaning, in relation to the Bonds, set out in Paragraph 20 of Part A of Schedule 4 (<i>Provisions for Meetings of Bondholders</i>) to the Bond Trust Deed and, in relation to the Existing Bonds, set out in Schedule 5 (<i>Provisions for</i></p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p><i>Meetings of Bondholders</i>) to the Existing Bond Trust Deeds.</p> <p>"Facility Agent" means any facility agent under any Authorised Credit Facility</p> <p>"Fee Letter" means (for so long as any amounts remain payable thereunder) any letter entered into in connection with an Authorised Credit Facility setting out the amount of certain fees referred to in an Authorised Credit Facility and payable by a member of the WWU Financing Group.</p> <p>"FG Event of Default" means in relation to any Financial Guarantor, such events as are specified in that Financial Guarantor's G&R Deed or equivalent document and, in relation to Wrapped Bonds, such events as are set out in the relevant Final Terms.</p> <p>"Final Proposal" means the final proposal made by Ofgem in relation to, amongst other things, the Licence Income Limits, generally made on a 5-yearly basis.</p> <p>"Final Terms" means the final terms issued in relation to each Sub-Class or Tranche of Bonds as a supplement to the Conditions and giving details of the Sub-Class or Tranche.</p> <p>"Finance Documents" means</p> <ul style="list-style-type: none"> (a) the Security Documents, (b) the Bond Trust Deed; (c) the Bonds (including the applicable Final Terms), (d) the Existing Bond Trust Deeds; (e) the Existing Bond Paying Agency Agreement, (f) the Existing Bonds, (g) each Financial Guarantee, (h) each G&R Deed; (i) each Financial Guarantee Fee Letter, (j) the Hedging Agreements and any other credit support or collateral documentation entered into in connection therewith or pursuant thereto, (k) the CTA, (l) the Issuer/WWU Loan Agreements; 	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>(m) the Initial Subordinated Loan Agreement;</p> <p>(n) the WWH/WWU Loan Agreement,</p> <p>(o) the Initial Facility Agreements;</p> <p>(p) each EIB Authorised Credit Facility Agreement,</p> <p>(q) each Liquidity Facility Agreement,</p> <p>(r) the Agency Agreement,</p> <p>(s) the Master Definitions Agreement;</p> <p>(t) the Account Bank Agreement,</p> <p>(u) the CP Agreement,</p> <p>(v) the Tax Deed of Covenant;</p> <p>(w) each Indemnification Deed,</p> <p>(x) any other Authorised Credit Facilities,</p> <p>(y) each Fee Letter, and</p> <p>(z) each agreement or other instrument between WWU or the Issuer (as applicable) and an Additional Secured Creditor designated as a Finance Document by WWU or the Issuer (as applicable), the Security Trustee and such Additional Secured Creditor in the Accession Memorandum or, as the case may be, Additional Finance Document Notice for such Additional Secured Creditor</p> <p>"Financial Guarantee" means any financial guarantee issued by a Financial Guarantor in respect of any Wrapped Bonds</p> <p>"Financial Guarantee Fee" means any fees payable to the Financial Guarantor under a Financial Guarantee Fee Letter</p> <p>"Financial Guarantee Fee Letter" means any letter or other agreement between a Financial Guarantor and one or more of the Obligors setting out the terms on which premia are payable in relation to one or more Financial Guarantees issued or to be issued by that Financial Guarantor.</p> <p>"Financial Guarantor" means any person which provides a Financial Guarantee, in respect of any of the Wrapped Bonds, and "Financial Guarantors" means all of them if there is more than one at any time</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>"Financial Guarantor Reserved Matters" means those matters set out in Part D (<i>Financial Guarantor Reserved Matters</i>) of Schedule 3 (<i>Reserved Matters</i>) to the STID</p> <p>"Financial Indebtedness" means (without double-counting) any indebtedness for or in respect of</p> <ul style="list-style-type: none"> (a) moneys borrowed or raised (whether or not for cash), (b) any documentary or standby letter of credit facility, (c) any acceptance credit, (d) any bond, note, debenture, loan stock or other similar instrument; (e) any finance or capital lease or hire purchase contract which would, in accordance with Applicable Accounting Principles, be treated as such, (f) any amount raised pursuant to any issue of shares which are capable of redemption, (g) receivables sold or discounted (other than on a non-recourse basis), (h) the amount of any liability in respect of any advance or deferred purchase agreement if either one of the primary reasons for entering into such agreement is to raise finance or the relevant payment is advanced or deferred for a period in excess of 90 days, (i) any termination amount due from any member of the WWU Financing Group in respect of any Treasury Transaction that has terminated, (j) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing (other than any trade credit or indemnity granted in the ordinary course of WWU's trading and upon terms usual for such trade); (k) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution, and (l) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in paragraphs (a) to (k) above (other than any guarantee or indemnity in respect of obligations owed by one member of the WWU Financing Group to another) <p>"Financial Statements" means, at any time, the most recent financial statements of an Obligor, consolidated where applicable, most recently delivered to the Security Trustee</p> <p>"Fitch" means Fitch Ratings Limited, or any successor to the rating agency business of Fitch</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
Amount secured		
	Please give us details of the amount secured by the mortgage or charge	
	<p>Ratings Limited.</p> <p>"Fixed Rate Bond" means a Bond on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).</p> <p>"Floating Rate Bond" means a Bond on which interest is calculated at a floating rate payable in arrear in respect of such period or on such date(s) as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).</p> <p>"Form of Transfer" means the form of transfer endorsed on an Individual Bond Certificate in the form or substantially in the form set out in Part B (<i>Form of Individual Bond Certificate</i>) of Schedule 3 (<i>Forms of Global and Individual Bond Certificates</i>) to the Bond Trust Deed</p> <p>"FSMA" means the Financial Services and Markets Act 2000, as amended.</p> <p>"G&R Deed" means a guarantee and reimbursement deed (or agreement of similar name and effect) between, among others, the Issuer and a Financial Guarantor in connection with a particular Tranche of Wrapped Bonds.</p> <p>"GA" means the Great Britain Gas Act 1986, as amended by subsequent legislation</p> <p>"GDNs" means, collectively, the former NGG gas distribution networks for the North of England, Wales and the South West of England, Scotland and the South of England.</p> <p>"Global Bond" means a Temporary Global Bond and/or a Permanent Global Bond, as the context may require</p> <p>"Global Bond Certificate" means a Registered Bond in global form in the form or substantially in the form set out in Part A (<i>Form of Global Bond Certificate</i>) of Schedule 3 to the Bond Trust Deed, with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), together with the copy of each applicable Final Terms annexed thereto, comprising some or all of the Registered Bonds of the same Sub-Class sold outside the United States or to non-U.S. persons in reliance on Regulation S under the Securities Act, issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) relating to the Programme, the Agency Agreement and the Bond Trust Deed</p> <p>"Government" means the government of the United Kingdom</p> <p>"GT Licence" means the licence granted by the Authority and held by WWU as a gas transporter under Section 7 of the GA for the areas described in the GT Licence, as modified or amended from time to time.</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>"Guarantee" means, in relation to each Guarantor, the guarantee of such Guarantor given by it pursuant to the Security Document to which it is a party</p> <p>"Guarantors" means WWH, WWU and the Issuer in their capacity as Guarantors pursuant to the Security Agreement together with any other entity which accedes to the Security Agreement as a Restricted Chargor or an Unrestricted Chargor in accordance with Clause 22 3 (<i>Further Subsidiaries</i>) thereof, each a "Guarantor" provided, for the avoidance of doubt, that the Pension Trustee is not a Guarantor.</p> <p>"Hedge Counterparties" means (i) the Existing Hedge Counterparties; and (ii) any counterparty to a Hedging Agreement which is or becomes party to the STID in accordance with the STID and "Hedge Counterparty" means any of such parties</p> <p>"Hedge Counterparty Reserved Matters" means those matters set out in Part E (<i>Hedge Counterparty Reserved Matters</i>) of Schedule 3 (<i>Reserved Matters</i>) to the STID</p> <p>"Hedging Agreement" means any ISDA Master Agreement (including the schedule and the credit support annex thereto) and any Treasury Transactions thereunder entered or to be entered into by WWU and/or the Issuer with Hedge Counterparties in accordance with the Hedging Policy (the counterparties to which have acceded to the terms of the STID and the CTA and agreed to be bound by the terms of Paragraphs 19 and 20 of Schedule 7 (<i>Hedging Policy and Overriding Provisions Relating to Hedging Agreements</i>) to the CTA), including the Existing Hedging Agreements, and references to "Hedging Agreements" shall be construed accordingly, <i>provided that</i>, for the purposes of this definition and the definitions of "Hedging Transaction", "Permitted Financial Indebtedness" and "Permitted Security Interest", any Hedging Agreement (including any Treasury Transactions thereunder) shall be deemed to have been entered into by WWU or, as the case may be the Issuer, in accordance or in compliance with the Hedging Policy if WWU or, as the case may be, the Issuer has made a representation on the date such Hedging Agreement (or Treasury Transaction thereunder) is entered into, that the Hedging Policy is complied with</p> <p>"Hedging Policy" means the initial hedging policy applicable to WWU and the Issuer set out in Schedule 7 (<i>Hedging Policy and Overriding Provisions Relating to Hedging Agreements</i>) to the CTA as such hedging policy may be, subject to Clause 8 8 (<i>Entrenched Rights of the Hedge Counterparties</i>) of the STID, amended from time to time by agreement between the Security Trustee, WWU, the Issuer and, in certain circumstances, the Hedge Counterparties, in accordance with the STID.</p> <p>"Hedging Transaction" means any Treasury Transaction evidenced by a confirmation entered or to be entered into pursuant to a Hedging Agreement by the Issuer and/or WWU with a Hedge Counterparty in accordance with the Hedging Policy, and references to "Hedging Transactions" shall be construed accordingly</p> <p>a "Higher Leverage Regime" will be continuing if:</p> <p>(a) no Excluded Treasury Transactions remain outstanding as at the Relevant Regime</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>Testing Date; and</p> <p>(b) the aggregate notional amount and/or sterling currency amount (as applicable) of all Early Break Treasury Transactions outstanding as at the Relevant Regime Testing Date (taking into account any proposed Early Break Treasury Transaction to be entered into on such Relevant Regime Testing Date if applicable) does not exceed 10 per cent of RAV (calculated in accordance with Paragraphs 10 and 11 of the Hedging Policy)</p> <p>"Holding Company" means a holding company within the meaning of section 736 of the Companies Act</p> <p>"Income" means any interest, dividends or other income arising from or in respect of an Authorised Investment.</p> <p>"Indemnification Deed" means, with respect to any Financial Guarantor, the deed so named and entered into on or about the date of the relevant Subscription Agreement between the Obligor, the Financial Guarantor and the Dealers</p> <p>"Independent Review" means an independent review resulting from a Trigger Event as set out in Paragraph 3 (<i>Independent Review</i>) of Part 2 (<i>Trigger Event Consequences</i>) of Schedule 5 (<i>Trigger Events</i>) to the CTA</p> <p>"Indexed Bond" means a bond in respect of which the amount payable in respect of principal and interest is calculated by reference to an index and/or formula as the Issuer and the relevant Dealer(s) may agree (as indicated in the relevant Final Terms)</p> <p>"Individual Bond Certificate" means a Registered Bond in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and the Bond Trust Deed, such Registered Bond in definitive form being in the form or substantially in the form set out in Part B (<i>Form of Individual Bond Certificate</i>) of Schedule 3 (<i>Forms of Global and Individual Bond Certificates</i>) of the Bond Trust Deed having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and having a Form of Transfer endorsed thereon</p> <p>"Inflation Adjustment" means RPIA/RPIB, where</p> <p>(a) "RPIA" means the most recently published Retail Price Index or, in respect of any future date, the future Retail Price Index as derived from the rate of inflation assumed by WWU in its most recent WWU Business Financial Model, and</p> <p>(b) "RPIB" means the average Retail Price Index associated with Ofgem's projected values: (i) as at the Initial Closing Date, expressed in 2005/2006 prices as published by Ofgem prior to the Periodic Review Effective Date falling in 2008, and (ii)</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>thereafter, as published by Ofgem immediately prior to the most recent Periodic Review Effective Date</p> <p>"Initial Closing Date" means 31 March 2010</p> <p>"Initial Compliance Certificate" has the meaning given to such term in the definition of Compliance Certificate.</p> <p>"Initial Credit Facilities" means the Capex/Repex Facilities, the Working Capital Facility and the L/C Facility made available to WWU under the Class A Initial Facility Agreement, the Class B Initial Facility Agreement or, as the case may be, the Class A Initial L/C Facility Agreement</p> <p>"Initial DSR Liquidity Facility" means the DSR Liquidity Facility made available by the Initial DSR Liquidity Facility Providers to WWU pursuant to the Initial DSR Liquidity Facility Agreement</p> <p>"Initial DSR Liquidity Facility Agreement" means the DSR Liquidity Facility Agreement entered into on the Initial Closing Date between WWU and the Initial DSR Liquidity Facility Providers</p> <p>"Initial DSR Liquidity Facility Providers" means each of Banco Santander, S A , London Branch, Barclays Bank PLC, BNP Paribas, London Branch, ING Bank N V , London Branch, National Australia Bank Limited (ABN 12 004 044 937) and The Royal Bank of Scotland plc or any successors thereto</p> <p>"Initial Facility Agreement" means each of the Class A Initial Facility Agreement, the Class B Initial Facility Agreement and the Class A Initial L/C Facility Agreement</p> <p>"Initial Issue Date" means the date of issue of the first Sub-Class of Bonds.</p> <p>"Initial Issuing Bank" means Barclays Bank PLC or any successor thereto</p> <p>"Initial Issuer/WWU Loan Agreement" means the loan agreement to which the Issuer, WWU and the Security Trustee are party as at the Initial Issue Date</p> <p>"Initial L/C Facility Provider" means Barclays Bank PLC and any successors thereto</p> <p>"Initial O&M Reserve Facility" means the O&M Reserve Facility made available to WWU by the Initial O&M Reserve Facility Providers pursuant to the Initial O&M Reserve Facility Agreement</p> <p>"Initial O&M Reserve Facility Agreement" means the O&M Reserve Facility Agreement entered into on the Initial Closing Date between WWU and the Initial O&M Reserve Facility Providers</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>"Initial O&M Reserve Facility Providers" means each of Banco Santander, S A , London Branch, Barclays Bank PLC, BNP Paribas, London Branch, ING Bank N V , London Branch, National Australia Bank Limited (ABN 12 004 044 937) and The Royal Bank of Scotland plc or any successors thereto</p> <p>"Initial Subordinated Loan" means the loan between the Initial Subordinated Creditor and WWH under the Initial Subordinated Loan Agreement</p> <p>"Initial Subordinated Loan Agreement" means the intercompany loan agreement dated the Initial Closing Date between WWH (as borrower) and the Initial Subordinated Creditor (as lender).</p> <p>"Initial Subordinated Creditor" means MGN Gas Networks (Senior Finance) Limited</p> <p>"Initial Term Facilities" means the Class A Initial Term Facilities made available to WWU under the Class A Initial Facility Agreement.</p> <p>"Interest Commencement Date" means, in the case of interest-bearing Bonds, the date specified in the applicable Final Terms from (and including) which such Bonds bear interest, which may or may not be the Issue Date</p> <p>"Interest Rate Hedging Agreement" means any Hedging Agreement with a Hedge Counterparty in respect of one or more Treasury Transactions to hedge exposure to interest rates (including any RPI Linked Hedging Agreement) or any other Hedging Agreement specified as such in the relevant Accession Memorandum to the STID or, as the case may be, the relevant Additional Finance Document Notice</p> <p>"Interest Rate Hedging Transaction" means any Hedging Transaction with a Hedge Counterparty to hedge exposure to interest rates, including any RPI Linked Hedging Transaction or any other Hedging Transaction specified as such in the relevant Accession Memorandum to the STID</p> <p>"Intra-Group Loans" means the amounts outstanding, from time to time, in respect of the following:</p> <ul style="list-style-type: none"> (a) the Initial Issuer/WWU Loan Agreement; (b) the Initial Subordinated Loan, (c) the WWH/WWU Loan Agreement, (d) the Issuer/WWU Loan Agreements, and (e) any other financial indebtedness between members of the WWU Financing Group from time to time

MG01 - continuation page

Particulars of a mortgage or charge

4

Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured

"ISDA" means the International Swaps and Derivatives Association, Inc

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>"ISDA Master Agreement" means an agreement in the form of the 1992 or (subject to the Hedging Policy) 2002 ISDA Master Agreement (Multi Currency Cross Border) published by ISDA or any successor thereto unless otherwise agreed by the Security Trustee</p> <p>"Issue Date" means the date of issue of any Tranche of Bonds or the date upon which all conditions precedent to a utilisation under any other Authorised Credit Facility have been fulfilled or waived and the Issuer or, as the case may be, WWU makes a utilisation of that facility.</p> <p>"Issue Price" means the price as stated in the relevant Final Terms, generally expressed as a percentage of the nominal amount of the Bonds, at which the Bonds will be issued.</p> <p>"Issuer" means Wales & West Utilities Finance plc, a public company incorporated in England & Wales with limited liability on 5 December 2008 (registration number 6766848).</p> <p>"Issuer/WWU Loan Agreement" means any loan agreement entered into between the Issuer and WWU including the Initial Issuer/WWU Loan Agreement.</p> <p>"Issuing Bank" means the Initial Issuing Bank and any other financial institution that agrees to become an issuing bank under any Authorised Credit Facility (in accordance with the terms thereof) and accedes to the terms of the STID and the CTA, together the "Issuing Banks".</p> <p>"Joint Arrangers" means Barclays Bank PLC and The Royal Bank of Scotland plc, the joint arrangers of the Programme</p> <p>"L/C Facility" means the £15,000,000 letter of credit facility provided to WWU pursuant to the Class A Initial L/C Facility Agreement</p> <p>"Lead Manager" means in relation to any Tranche of Bonds, the person named as the lead manager in the relevant Subscription Agreement</p> <p>"Letter of Credit" means</p> <ul style="list-style-type: none"> (a) a letter of credit, substantially in the form of the schedule to the Class A Initial L/C Facility Agreement or in any other form requested by WWU and agreed by the Initial Issuing Bank; or (b) any guarantee, indemnity or other instrument in a form requested by WWU and agreed with the relevant Issuing Bank pursuant to the relevant Authorised Credit Facility <p>"Licence Income Limits" means the maximum Distribution Network Transportation Activity Revenue (as set out and defined in Part E of the Special Conditions of the GT Licence) set for each year by Ofgem in a Periodic Review determining whether charges made by Regulated Companies for gas transportation services may be increased, decreased</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
Amount secured	<p data-bbox="320 353 1058 383">Please give us details of the amount secured by the mortgage or charge</p> <p data-bbox="320 459 523 488">or kept constant</p> <p data-bbox="320 526 1511 593">"Liquidity Facility" means a DSR Liquidity Facility or an O&M Reserve Facility made under a Liquidity Facility Agreement and "Liquidity Facilities" means all of them.</p> <p data-bbox="320 631 1511 698">"Liquidity Facility Agent" means, in respect of any Liquidity Facility Agreement, the facility agent under such Liquidity Facility Agreement.</p> <p data-bbox="320 736 1511 983">"Liquidity Facility Agreement" means each liquidity facility agreement which has the characteristics set out in Schedule 11 (<i>DSR Liquidity Facility/O&M Reserve Facility Terms</i>) to the CTA, as established in connection with each Sub-Class of Bonds issued by, or other Authorised Credit Facility provided to the Issuer or WWU or with shortfalls in funding for operating and maintenance expenditure and for which each counterparty thereto has acceded to the terms of the STID and the CTA including the Initial DSR Liquidity Facility Agreement and the Initial O&M Reserve Facility Agreement.</p> <p data-bbox="320 1021 1511 1088">"Liquidity Facility Arranger" means, in respect of any Liquidity Facility Agreement, the arranger under such Liquidity Facility Agreement</p> <p data-bbox="320 1126 1511 1227">"Liquidity Facility Provider" means any lender from time to time under a Liquidity Facility Agreement that has agreed to be bound by the terms of the STID and the CTA, including the DSR Liquidity Facility Providers and the O&M Reserve Facility Providers.</p> <p data-bbox="320 1265 1201 1294">"London Stock Exchange" means The London Stock Exchange plc.</p> <p data-bbox="320 1332 1511 1534">"Majority Creditors" means the Class A DIG Representatives in respect of more than 50 per cent of the Voted Qualifying Class A Debt or, following repayment in full of the Qualifying Class A Debt, Class B DIG Representatives in respect of more than 50 per cent. of the Voted Qualifying Class B Debt (in each case, subject to Clause 8 (<i>Modifications, Consents and Waivers</i>) and Clause 9 (<i>Voting, Instructions and Notification of Outstanding Principal Amount of Qualifying Debt</i>) of the STID)</p> <p data-bbox="320 1572 1511 1751">"Mandatory Prepayment Account" means any interest bearing account held by WWU with the Account Bank into which proceeds due to be prepaid to certain lenders under the Class A Initial Facility Agreement or, as the case may be, the Class B Initial Facility Agreement are deposited in accordance with the terms of the Class A Initial Facility Agreement.</p> <p data-bbox="320 1789 1511 1856">"Master Definitions Agreement" or "MDA" means the master definitions agreement entered into by, <i>inter alios</i>, the Chargor and the Security Trustee on 31 March 2010.</p> <p data-bbox="320 1895 1511 1962">"MGN (UK) Group" means MGN Gas Networks (UK) Limited and its Subsidiaries from time to time</p> <p data-bbox="320 2000 1511 2067">"Minimum Short-Term Rating" means, in respect of any person or investment, such person's or investment's short term unsecured debt obligations being rated, in the case of</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	<h3>Amount secured</h3>
	<p>Please give us details of the amount secured by the mortgage or charge</p>
<p>Amount secured</p>	<p>S&P, "A1" and in the case of Fitch, "F1" or, in each case, such other rating as the relevant Rating Agency agrees, provided that such other rating would not cause a rating downgrade of the Senior Debt</p> <p>"Month" means a calendar month</p> <p>"Monthly Payment Amount" has the meaning set out in Paragraph 8 9 of Schedule 10 (<i>Cash Management</i>) to the CTA.</p> <p>"Moody's" means Moody's Investors Service Limited, or any successor to the rating agency business of Moody's Investors Service Limited</p> <p>"Net Cash Flow" means</p> <p>(a) in respect of any historical element of a Test Period, the aggregate of actual pre-tax net cash flow from operating activities (including non-regulated revenues and <i>de minimis</i> revenues and including receipts in the form of actual cash payment in respect of any Permitted Tax Loss Transaction other than from a member of the WWU Financing Group) as shown in WWU's Financial Statements (after adding back, without double counting, and to the extent that such items are included in net cash flow from operating activities as shown in WWU's Financial Statements, any exceptional items including the initial transaction fees payable on or about the Initial Closing Date, any recovered or recoverable VAT, any capital expenditure and any movement in short-term debtors and/or creditors relating to Capital Expenditure) plus Capitalised Replacement Expenditure minus any exceptional items to the extent that such items represent receipts of WWU and/or are included in the net cash flow from operating activities as shown in WWU's Financial Statements and corporation tax paid or payable (which shall exclude payments in respect of a Permitted Tax Loss Transaction that are settled not in cash but by way of adjustment to an amount outstanding in respect of any Subordinated Debt); and</p> <p>(b) in respect of any forward-looking element of a Test Period, the aggregate of anticipated pre-tax net cash flow from operating activities (including non-regulated revenues and <i>de minimis</i> revenues and including receipts in the form of actual cash payment in respect of any Permitted Tax Loss Transaction other than from a member of the WWU Financing Group) (after adding back, without double counting and to the extent that such items are included in the anticipated pre-tax net cash flow from operating activities, any exceptional items, any recoverable VAT, any capital expenditure and any movement in short-term debtors and/or creditors relating to Capital Expenditure) plus Capitalised Replacement Expenditure in each case anticipated to occur during such Test Period minus any exceptional items to the extent that such items will represent receipts of WWU and/or will be included in the anticipated net cash flow from operating activities and corporation tax anticipated to be payable during such Test Period (which shall exclude payments in respect of a Permitted Tax Loss Transaction that are settled not in cash but by way of adjustment</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>to an amount outstanding in respect of any Subordinated Debt).</p> <p>"NGG" means National Grid Gas plc, company number 2006000</p> <p>"Non-Base Currency" means a currency other than pounds sterling</p> <p>"Notice" or "notice" means, in respect of a notice to be given to Bondholders, a notice validly given pursuant to Condition 17 (<i>Notices</i>)</p> <p>"Obligors" means WWU, WWH and the Issuer 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 provided that, for the avoidance of doubt, that the Pension Trustee is not an Obligor</p> <p>"Official List" means the official list of the UKLA</p> <p>"Ofgem" means the Office of Gas and Electricity Markets, including its successor office or body</p> <p>"O&M Reserve" means amounts standing to the credit of the O&M Reserve Account</p> <p>"O&M Reserve Account" means the account of WWU entitled "O&M Reserve Account" held at the Account Bank and includes any sub-account relating to that account and any replacement from time to time</p> <p>"O&M Reserve Facility" means the Initial O&M Reserve Facility and any other operating and maintenance reserve liquidity facility made available under an O&M Reserve Facility Agreement</p> <p>"O&M Reserve Facility Agreement" means any Liquidity Facility Agreement pursuant to which an O&M Reserve Facility is made available.</p> <p>"O&M Reserve Facility Provider" means any lender appointed from time to time under an O&M Reserve Facility Agreement</p> <p>"O&M Reserve Required Amount" means not less than</p> <p>(a) if the Senior RAR as calculated at the most recently occurring Calculation Date for each Test Date (taking into account the incurrence of any Financial Indebtedness pursuant to Paragraph (i) of the definition of Permitted Financial Indebtedness following such Calculation Date) is equal to or lower than 67.5 per cent, zero, and</p> <p>(b) if the Senior RAR as calculated at the most recently occurring Calculation Date for any Test Date (taking into account the incurrence of any Financial Indebtedness pursuant to Paragraph (i) of the definition of Permitted Financial Indebtedness following such Calculation Date) is greater than 67.5 per cent, 10 per cent. of</p>

MG01 - continuation page
Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>WWU's Projected Operating Expenditure and Replacement Expenditure (excluding, for the avoidance of doubt, any Capitalised Replacement Expenditure and/or Pass Through Costs) for the 12 months from the most recently occurring 31 March</p> <p>"Operating Accounts" means each account at the Account Bank specified in the Account Bank Agreement as an Operating Account including any sub-account and any replacement account or other operating accounts from time to time</p> <p>"Order" means the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.</p> <p>"Outstanding" means:</p> <p>(a) in relation to the Bonds of all or any Sub-Class, all the Bonds of such Sub-Class issued other than:</p> <ul style="list-style-type: none"> (i) those Bonds which have been redeemed pursuant to the Bond Trust Deed, (ii) those Bonds in respect of which the date (including, where applicable, any deferred date) for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Bond Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relative Bondholders in accordance with Condition 17 (<i>Notices</i>)) and remain available for payment against presentation of the relevant Bonds and/or Receipts and/or Coupons, (iii) those Bonds which have been purchased and cancelled in accordance with Condition 8(h) (<i>Redemption, Purchase and Cancellation - Cancellation</i>); (iv) those Bonds which have become void or in respect of which claims have become prescribed, in each case under Condition 13 (<i>Prescription</i>), (v) those mutilated or defaced Bonds which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (<i>Replacement of Bonds, Coupons, Receipts and Talons</i>), (vi) (for the purpose only of ascertaining the nominal amount of the Bonds Outstanding and without prejudice to the status for any other purpose of the relevant Bonds) those Bonds which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 14 (<i>Replacement of Bonds, Coupons, Receipts and Talons</i>), and (vii) in the case of Bearer Bonds, any Global Bond to the extent that it shall have been exchanged for Definitive Bonds or another Global Bond and, in the case of Registered Bonds, any Global Bond Certificate to the extent that it shall 	

MG01 - continuation page

Particulars of a mortgage or charge

4

Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured

have been exchanged for Individual Bond Certificates, and, in each case, pursuant to its provisions, the provisions of the Bond Trust Deed and the Agency Agreement,

PROVIDED THAT for each of the following purposes, namely

- (A) the right to attend and vote at any meeting of the holders of the Bonds of any Sub-Class,
- (B) the determination of how many and which Bonds of any Sub-Class are for the time being outstanding for the purposes of Condition 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*), Clause 9 (*Voting, Instructions and Notification of Outstanding Principal Amount of Qualifying Debt*) of the STID and Paragraphs 2, 5, 6 and 13 of Schedule 4 (*Provisions for Meetings of Bondholders*) to the Bond Trust Deed,
- (C) any discretion, power or authority (whether contained in the Bond Trust Deed or vested by operation of law) which the Bond Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Bonds of any Sub-Class, and
- (D) the determination by the Bond Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Bonds of any Sub-Class,

those Bonds of the relevant Sub-Class (if any) which are for the time being held by or on behalf of the Issuer, the other Obligor, or any Associate of the Issuer or the other Obligor (other than any Associate which is a licensed or regulated financial institution which holds Bonds in the ordinary course of its business), in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain Outstanding, or

- (b) in relation to the Existing Bonds of all or any Class, the meaning given to "outstanding" in the Existing Bond Trust Deed.

"Outstanding Principal Amount" means, as at any date that the same falls to be determined

- (a) in respect of Wrapped Bonds (unless an FG Event of Default has occurred and is continuing in respect of the Financial Guarantor of such Wrapped Bonds), the aggregate of any unpaid amounts owing to a Financial Guarantor under a G&R Deed to reimburse it for any amount paid by it under a Financial Guarantee in respect of unpaid principal on such Wrapped Bonds and the Principal Amount Outstanding (or the Equivalent Amount) under such Wrapped Bonds (including any premium);

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>(b) in respect of Wrapped Bonds (if an FG Event of Default has occurred and is continuing in respect of the Financial Guarantor of such Wrapped Bonds), the Principal Amount Outstanding (or the Equivalent Amount) of such Wrapped Bonds (including any premium);</p> <p>(c) in respect of Unwrapped Bonds, the Principal Amount Outstanding (or the Equivalent Amount) of such Unwrapped Bonds;</p> <p>(d) in respect of the Existing Bonds, the Principal Amount Outstanding (or the Equivalent Amount) of such Existing Bonds,</p> <p>(e) in respect of any other Unwrapped Debt, the principal amount outstanding (or the Equivalent Amount) of such Unwrapped Debt,</p> <p>(f) in respect of each Hedging Agreement, the Equivalent Amount of the amount (if any) that would be payable to the relevant Hedge Counterparty if an early termination date was designated on such date in respect of the transaction or transactions arising under the Hedging Agreement pursuant to the ISDA Master Agreement governing such transaction or transactions and subject to the overriding provisions contained in the CTA and/or the STID, and</p> <p>(g) in respect of any other Secured Liabilities not covered elsewhere, the Equivalent Amount of the outstanding principal amount of such debt on such date in accordance with the relevant Finance Document,</p> <p>all as most recently certified or notified to the Security Trustee, pursuant to Clause 9 10 (<i>Notification of Outstanding Principal Amount of Qualifying Debt</i>) of the STID provided that, for the avoidance of doubt, in respect of any Bonds or Existing Bonds, only those Bonds or, as the case may be, Existing Bonds which are Outstanding will be counted towards the determination of the Outstanding Principal Amount.</p> <p>"Parent" means MGN Gas Networks (Senior Finance) Limited, a company incorporated in England and Wales on 9 June 2004 (registered number 05149493), being the holding company of WWH.</p> <p>"Participating Member State" means a member state of the European Union that adopts or has adopted the euro as its lawful currency under the legislation of the European Union for European Monetary Union</p> <p>"Pass Through Costs" means the business rates, distribution network licence fee and other costs defined as "pass-through items" by Ofgem pursuant to Special Condition E3 of the GT Licence</p> <p>"Paying Agents" means, in relation to all or any Sub-Classes of the Bonds, the several institutions (including, where the context permits, the Principal Paying Agent and/or the Registrar) at their respective specified offices initially appointed as paying agents in relation</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>to such Bonds by the Issuer and the other Obligors pursuant to the Agency Agreement and/or, if applicable, any successor paying agents at their respective specified offices in relation to all or any Sub-Classes of the Bonds</p> <p>"Payment Date" means each date on which a payment is made or is scheduled to be made by an Obligor in respect of any obligations or liability under any Authorised Credit Facility</p> <p>"Payment Priorities" means the order of priority of payments set out in Paragraph 10.3 of Schedule 10 (<i>Cash Management</i>) to the CTA as adjusted following termination of a Standstill (other than pursuant to Clause 13.4.1(c) (<i>Termination of Standstill</i>) of the STID) in accordance with Paragraph 10.3 of Schedule 10 (<i>Cash Management</i>) to the CTA</p> <p>"Pension Trustee" means Wales & West Utilities Pension Scheme Trustees Limited, a private limited company incorporated in England and Wales (registered number 05750643)</p> <p>"Periodic Review" means the periodic review by Ofgem of the revenues which WWU may recover from its customers, including, in particular the Licence Income Limits and of the framework by which NGG and GDNs have an incentive to operate efficiently, deliver an agreed quality of service, contribute to sustainability and meet their statutory obligations and licence conditions</p> <p>"Periodic Review Effective Date" means the date with effect from which the new Licence Income Limits will take effect, following a Periodic Review</p> <p>"Periodic Review Period" means the period commencing on a Periodic Review Effective Date and ending on the next Date Prior</p> <p>"Permanent Global Bond" means in relation to any Sub-Class of Bearer Bonds a global bond in the form or substantially in the form set out in Part B (<i>Form of Permanent Global Bond</i>) of Schedule 2 (<i>Forms of Global and Definitive Bonds, Receipts, Coupons and Talons</i>) to the Bond Trust Deed with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the Relevant Dealer(s), together with the copy of each applicable Final Terms annexed thereto, comprising some or all of the Bearer Bonds of the same Sub-Class, issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) relating to the Programme, the Agency Agreement and the Bond Trust Deed in exchange for the whole or part of any Temporary Global Bond issued in respect of such Bearer Bonds</p> <p>"Permitted Acquisition" means any of the following carried out by WWU (or in the case of paragraph (f), any member of the WWU Financing Group)</p> <ul style="list-style-type: none"> (a) an acquisition of assets under or expressly permitted or contemplated by the Common Agreements, (b) an acquisition (including of Authorised Investments), but not of any company or shares therein, partnership or joint venture, made on arm's length terms and in the 	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>ordinary course of trade,</p> <p>(c) an acquisition of assets required to replace surplus, obsolete, worn-out, damaged or destroyed assets which in the reasonable opinion of WWU are required for the efficient operation of its Business,</p> <p>(d) an acquisition of assets (but not of any company or shares therein, partnership or joint venture) made on arm's length terms entered into for <i>bona fide</i> commercial purposes in furtherance of WWU's statutory and regulatory obligations,</p> <p>(e) all contracts entered into by WWU from time to time in relation to supplies of electricity, gas or water;</p> <p>(f) any payment of consideration to any member of the WWU Financing Group for the surrender of tax losses pursuant to a Permitted Tax Loss Transaction (up to a sum no greater than the product of the amount of losses surrendered and the rate of corporation tax prevailing in the accounting period in which the losses are surrendered); and</p> <p>(g) any acquisition made with the consent of the Security Trustee,</p> <p>so long as, in each case, to the extent that the Permitted Acquisition would not contravene the terms of the GT Licence, the GA or any requirement under the GT Licence or the GA</p> <p>"Permitted Financial Indebtedness" means</p> <p>(a) Financial Indebtedness incurred by one member of the WWU Financing Group to another member if the recipient of that Financial Indebtedness is an Obligor (including in respect of the Issuer/WWU Loan Agreements),</p> <p>(b) Financial Indebtedness incurred under any Finance Document as at the Initial Closing Date,</p> <p>(c) Financial Indebtedness incurred under a Treasury Transaction provided (i) it is in compliance with the Hedging Policy, or (ii) it is a Treasury Transaction entered into by WWU in the ordinary course of its business to manage risk inherent in its business for non-speculative purposes only and not in respect of any Financial Indebtedness,</p> <p>(d) any unsecured Financial Indebtedness provided that the aggregate amount of such Financial Indebtedness does not exceed 0.80 per cent of RAV,</p> <p>(e) any Subordinated Debt entered into after the Initial Closing Date,</p> <p>(f) Financial Indebtedness incurred under the Intra-Group Loans;</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>(g) Financial Indebtedness where only BACS or similar daylight-banking accommodation is provided,</p> <p>(h) Financial Indebtedness incurred under any Liquidity Facility provided that the provider of such facility is party to or has acceded to the STID.</p> <p>(i) such further Financial Indebtedness incurred by the Issuer or WWU that complies with the following conditions</p> <p>(i) at the time of incurrence of that Financial Indebtedness, no Default is continuing or will arise as a result of the incurrence of such Financial Indebtedness,</p> <p>(ii) the Financial Indebtedness is made available pursuant to an Authorised Credit Facility, the provider of which is a party to, or has acceded to, the CTA and STID,</p> <p>(iii) as a result of the incurrence of the Financial Indebtedness:</p> <p>(A) no Authorised Credit Provider will have substantially better or additional Entrenched Rights under the STID than those Authorised Credit Providers providing similar Financial Indebtedness of the same class; and</p> <p>(B) the Hedging Policy shall continue to be complied with in all respects,</p> <p>(iv) the Financial Indebtedness which is Class A Debt ranks (save for, if applicable, any Financial Guarantee) <i>pari passu</i> in all respects with all other Class A Debt and the Financial Indebtedness that is Class B Debt ranks <i>pari passu</i> in all respects with all other Class B Debt</p> <p>(v) if such further Financial Indebtedness is Class A Debt or Class B Debt then the Senior RAR for each Test Date calculated by reference to the then most recently occurring Calculation Date (taking into account the proposed incurrence of such debt) must be less than or equal to:</p> <p>(A) subject to sub-paragraph (B) below, if the Higher Leverage Regime is not continuing, 0 80 1,</p> <p>(B) if the Higher Leverage Regime is not continuing and the incurrence of such further Financial Indebtedness is Required Financial Indebtedness, 0 90:1, and</p> <p>(C) at all other times, 0 90.1,</p> <p>(vi) if such further Financial Indebtedness is Class A Debt then the Class A RAR for each Test Date calculated by reference to the then most recently occurring</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>Calculation Date (taking into account the proposed incurrence of such debt) must be less than or equal to:</p> <ul style="list-style-type: none"> (A) subject to sub-paragraph (B) below, if the Higher Leverage Regime is not continuing, 0.725:1, (B) if the Higher Leverage Regime is not continuing and the incurrence of such further Financial Indebtedness is Required Financial Indebtedness, 0.75:1; and (C) at all other times, 0.75:1, <p>and the Class A Adjusted ICR for each Test Period calculated by reference to the then most recently occurring Calculation Date (taking into account the proposed incurrence of such debt) must be greater than or equal to 1.3:1;</p> <ul style="list-style-type: none"> (vii) if following the incurrence of such Financial Indebtedness the Senior RAR for each Test Date calculated by reference to the then most recently occurring Calculation Date (taking into account the proposed incurrence of such debt and the incurrence of any other Financial Indebtedness pursuant to this Paragraph (i) following such Calculation Date) exceeds 67.5 per cent <ul style="list-style-type: none"> (A) WWU shall ensure that the aggregate of DSR Liquidity Facilities available for drawing in respect of Class A Debt and the amounts standing to the credit of the Class A Debt Service Reserve Account (including the value of any Authorised Investments funded from such amounts) is at least equal to the Class A Required Balance at the time of incurrence of such Financial Indebtedness, and (B) WWU shall ensure that the aggregate of the O&M Reserve Facilities available for drawing and the amounts standing to the credit of the O&M Reserve Accounts (including the value of any Authorised Investments funded from such amounts) is at least equal to the O&M Reserve Required Amount, and (viii) to the extent that such Financial Indebtedness is to amortise (other than any Required Financial Indebtedness), each Financial Guarantor and the Security Trustee has granted its written consent to such Financial Indebtedness prior to its incurrence, (j) Financial Indebtedness in connection with trade debt incurred in the ordinary course of business outstanding for less than 90 days, (k) Financial Indebtedness arising under a Permitted Guarantee (other than by reason only of paragraph (a) of the definition of Permitted Guarantee); 	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>(l) such further Financial Indebtedness incurred by any member of the WWU Financing Group with the consent of the Security Trustee, or</p> <p>(m) Financial Indebtedness incurred under a Permitted Volume Trading Arrangement.</p> <p>For the purposes of this definition only, the termination sums payable under a Treasury Transaction that has been terminated shall not be treated as Financial Indebtedness and the occurrence of such event shall not be construed as the incurrence of Financial Indebtedness</p> <p>"Permitted Guarantee" means</p> <p>(a) any guarantee constituting Permitted Financial Indebtedness (other than by reason only of paragraph (k) of the definition of Permitted Financial Indebtedness),</p> <p>(b) any guarantee contained in the Common Agreements,</p> <p>(c) any guarantee given in respect of the netting or set-off arrangements permitted under paragraphs (c) or (d) of the definition of Permitted Security Interest; or</p> <p>(d) any guarantee, indemnity or counter indemnity entered into with the prior consent of the Security Trustee</p> <p>"Permitted Non-Transportation Business" means any business undertaken by WWU other than Transportation Business in accordance with the provisions of the GT Licence (including any business undertaken by WWU with the consent of the Authority).</p> <p>"Permitted Post Closing Events" means</p> <p>(a) payment of transaction fees and expenses, to the extent not paid on the Initial Closing Date,</p> <p>(b) payments and other actions by any or all Obligor or other entities to enable the Chargor to pay certain amounts outstanding under the Senior Facilities Agreement and related Finance Documents (as defined in the Senior Facilities Agreement) (including the payment of any break costs due under the Senior Facilities Agreement and any termination amounts in respect of the termination of existing hedging arrangements) and the discharge of the security created under such documents; or</p> <p>(c) any other payments listed in writing by the Chargor as at the Initial Closing Date and signed by way of approval by the Security Trustee</p> <p>"Permitted Security Interest" means any security interest falling under paragraphs (a) to (f) (inclusive) below which is created by any Obligor, any security interest falling under paragraphs (g) to (k) (inclusive) below which is created by WWU or the Issuer and any security interest falling under paragraphs (l) to (s) (inclusive) below which is created by</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
Amount secured	Please give us details of the amount secured by the mortgage or charge	
	<p>WWU:</p> <ul style="list-style-type: none"> (a) a Security Interest created under the Security Documents or contemplated or permitted by the Common Agreements; (b) any Security Interest specified in Schedule 10 (<i>Cash Management</i>) to the CTA, if the principal amount thereby secured is not increased; (c) a Security Interest comprising a netting or set-off arrangement entered into by a member of the WWU Financing Group in the ordinary course of its banking arrangements, (d) a right of set-off, banker's liens or the like arising by operation of law or by contract by virtue of the provision of any overdraft facility and like arrangements arising as a consequence of entering into arrangements on the standard terms of any bank providing an overdraft, (e) any Security Interest arising under statute or by operation of law in favour of any government, state or local authority in respect of taxes, assessments or government charges which are being contested by the relevant member of the WWU Financing Group in good faith and with a reasonable prospect of success; (f) any Security Interest created in respect of any pre-judgment legal process or any judgment or judicial award relating to security for costs, where the relevant proceedings are being contested in good faith by the relevant member of the WWU Financing Group by appropriate procedures and with a reasonable prospect of success, (g) a Security Interest comprising a netting or set-off arrangement entered into under any Hedging Agreement entered into in accordance with the Hedging Policy where the obligations of the parties thereunder are calculated by reference to net exposure thereunder (but not any netting or set-off relating to such Hedging Agreement in respect of cash collateral or any other Security Interest except as otherwise permitted hereunder), (h) a lien arising under statute or by operation of law (or by agreement having substantially the same effect) and in the ordinary course of business provided that such lien is discharged within 30 days of any member of the WWU Financing Group becoming aware that the amount owing in respect of such lien has become due, (i) a lien in favour of any bank over goods and documents of title to goods arising in the ordinary course of documentary credit transactions entered into in the ordinary course of trade, (j) a Security Interest created over shares and/or other securities acquired in accordance with the CTA held in any clearing system or listed on any exchange which arise as a 	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>result of such shares and/or securities being so held in such clearing system or listed on such exchange as a result of the rules and regulations of such clearing system or exchange;</p> <p>(k) a Security Interest approved by the Security Trustee, the holder of which has become a party to the STID;</p> <p>(l) a Security Interest over or affecting any asset acquired on arm's length terms after the Initial Closing Date and subject to which such asset is acquired, if</p> <p>(i) such Security Interest was not created in contemplation of the acquisition of such asset,</p> <p>(ii) the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition of such asset by a member of the WWU Financing Group; and</p> <p>(iii) unless such Security Interest falls within any of Paragraphs (o) to (r) below (A) such Security Interest is removed or discharged within six months of the date of acquisition of such asset; or (B) the holder thereof becomes party to the STID;</p> <p>(m) a Security Interest arising in the ordinary course of business and securing amounts not more than 90 days overdue or if more than 90 days overdue, the original deferral was not intended to exceed 90 days and such amounts are being contested in good faith,</p> <p>(n) a Security Interest arising under or contemplated by any finance leases, hire purchase agreements, conditional sale agreements or other agreements for the acquisition of assets on deferred purchase terms,</p> <p>(o) a right of set-off existing in the ordinary course of trading activities between WWU and its suppliers or customers (including, but not limited to any existing or future bulk gas transportation contracts, or any existing or future gas or electricity supply contracts),</p> <p>(p) a Security Interest arising on rental deposits in connection with the occupation of leasehold premises in the ordinary course of business,</p> <p>(q) any retention of title arrangements entered into by WWU in the ordinary course of business, or</p> <p>(r) in addition to any Security Interests subsisting pursuant to the above any other Security Interests provided that the aggregate principal amount secured by such Security Interests does not at any time exceed 0.2 per cent of RAV,</p>	

MG01 - continuation page
Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>to the extent and for so long, in each case, as the creation or existence of such Security Interest would not contravene the terms of the GT Licence, the GA or any requirement under the GT Licence or the GA</p> <p>"Permitted Subsidiary" means the Issuer, the Pension Trustee and any other Subsidiary of WWU from time to time which is established or acquired by WWU pursuant to a Permitted Acquisition and is notified in writing to the Security Trustee prior to the date of such Permitted Acquisition, provided that, in each case on or prior to such establishment or acquisition such Permitted Subsidiary has acceded to the CTA, the STID, the MDA, the Security Agreement, the Bond Trust Deed, the Dealership Agreement, the Agency Agreement, the Account Bank Agreement and the Tax Deed of Covenant as an Obligor in accordance with the provisions of the STID and has satisfied the conditions to such accession as set out in the STID</p> <p>"Permitted Tax Loss Transaction" has the meaning given to it in the Tax Deed of Covenant</p> <p>"Permitted Volume Trading Arrangements" means contracts entered into by any member of the MGN (UK) Group or any Associate thereof (which, in each case, is not a member of the WWU Financing Group) with suppliers for the supply of goods and services to WWU on terms that discounts are available as a result of such arrangements, provided that WWU will reimburse the relevant member of the MGN (UK) Group or Associate for any Financial Indebtedness by way of amounts payable by such member of the MGN (UK) Group or Associate to such supplier as a result of making use of such arrangements</p> <p>"Potential Event of Default" means (other than in any Hedging Agreement, where "Potential Event of Default" has the meaning given to it in that Hedging Agreement) an event which would be (with the expiry of a grace period, the giving of notice or the making of any determination under the Finance Documents or any combination of them) an Event of Default</p> <p>"Preliminary Calculation Date" means 31 March 2010</p> <p>"Principal Amount Outstanding" means, in relation to a Bond, an Existing Bond, Sub-Class or Class, the original face value thereof (in relation to any Indexed Bonds which are designated as "indexed linked" bonds under the applicable pricing supplement or final terms, as adjusted in accordance with the Conditions) less any repayment of principal made to the holder(s) thereof in respect of such Bond, Existing Bond, Sub-Class or Class.</p> <p>"Principal Paying Agent" means Deutsche Bank AG, London Branch (or any successors thereto) in its capacity as principal paying agent under the Agency Agreement.</p> <p>"Programme" means the £5,000,000,000 guaranteed bond programme established by the Issuer and admitted to the Official List and to the London Stock Exchange</p> <p>"Projected Operating Expenditure" means, at any time, the operating expenditure</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>projected in the operating budget for the Test Period in which such date falls.</p> <p>"Proposer" has the meaning given to such term in Clause 9 1 (<i>Instigation of STID Proposal</i>) of the STID.</p> <p>"Prospectus" means any Prospectus prepared by or on behalf of, and approved by, the Issuer in connection with the establishment of the Programme and/or the issue of the Bonds or any information memorandum or Prospectus prepared by or on behalf of and approved by the Issuer in connection with the general syndication in the interbank market of any Authorised Credit Facility</p> <p>"Qualifying Class A Debt" means the aggregate Outstanding Principal Amount of Class A Debt entitled to be voted by the Class A DIG Representatives in the Class A DIG</p> <p>"Qualifying Class A Debt Provider" means a provider of Qualifying Class A Debt</p> <p>"Qualifying Class B Debt" means the aggregate Outstanding Principal Amount of Class B Debt entitled to be voted by the Class B DIG Representatives</p> <p>"Qualifying Class B Debt Provider" means a provider of Qualifying Class B Debt</p> <p>"Qualifying Debt" means the Qualifying Class A Debt and the Qualifying Class B Debt.</p> <p>"Rating Agencies" means S&P and Fitch and any further or replacement rating agency appointed by the Issuer with the approval of the Security Trustee (acting upon the instructions of the Majority Creditors in accordance with the terms of the STID) to provide a credit rating or ratings for the Class A Debt and the Class B Debt and underlying ratings in respect of Class A Wrapped Bonds and the Class B Wrapped Bonds for so long as they are willing and able to provide credit ratings generally (and "Rating Agency" means either one of them)</p> <p>"RAV" means, in relation to any date:</p> <p>(a) the regulated asset value of WWU's assets as published in the latest Ofgem Determination in respect of the most recent 1 April (or such other definitive date within a Periodic Review Period as may be set by Ofgem in respect of future Periodic Review Periods) (in each case, a "Definitive Date") provided that, (i) for any date falling from and excluding a Definitive Date to but excluding the next Definitive Date within a Periodic Review Period, the regulated asset value of WWU's assets shall be WWU's good faith interpolation of its regulated asset value based upon the regulated asset value for each such Definitive Date; and (ii) for any date in respect of which there has been no Final Proposal by Ofgem, the regulated asset value of WWU's assets shall be WWU's good faith, present estimate of its regulated asset value on the last day of the relevant Test Period; plus</p> <p>(b) (without double counting) amounts of Capital Expenditure and/or Capitalised</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>Replacement Expenditure which have been logged up through a Recognised Ofgem Mechanism and included in Ofgem's determination of regulated asset value during the current Periodic Review Period,</p> <p>in each case as adjusted by the Inflation Adjustment</p> <p>"Receipt" means a receipt attached on issue to a Definitive Bond redeemable in instalments for the payment of an instalment of principal such receipt being in the form or substantially in the form set out in Part D (<i>Form of Receipt</i>) of Schedule 2 (<i>Forms of Global and Definitive Bonds, Receipts, Coupons and Talons</i>) to the Bond Trust Deed or in such other form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s) and includes any replacements for Receipts or Talons issued pursuant to Condition 14 (<i>Replacement of Bonds, Coupons, Receipts and Talons</i>).</p> <p>"Recognised Ofgem Mechanism" means any of: (i) any correction mechanism employed by Ofgem to adjust the Licence Income Limits for any previous over- or under- recovery against Allowed Revenue, including any income adjusting event exceeding the threshold determined from time to time by Ofgem, (ii) logging up of RAV, where Ofgem has approved the relevant Capital Expenditure or Replacement Expenditure; or (iii) any other similar mechanism as agreed from time to time between Ofgem and WWU</p> <p>"Recurring Fees" means any scheduled fees payable under an Authorised Credit Facility which are calculated by reference to the costs and expenses of the relevant Authorised Credit Provider properly incurred in the provision and maintenance of such Authorised Credit Facility</p> <p>"Registered Bonds" means those of the Bonds which are for the time being in registered form</p> <p>"Registrar" means Deutsche Bank Luxembourg S A in its capacity as registrar under the Agency Agreement and any other entity appointed as a registrar under the Agency Agreement</p> <p>"Regulated Company" means a person licensed as a gas transporter under Section 7 of the GA</p> <p>"Regulation S" has the meaning given to such term in the Securities Act</p> <p>"Regulatory Depreciation" means, in relation to any date or any period, the depreciation applied to the regulated asset value of WWU's assets as determined by WWU utilising the methodology used by Ofgem in determining Approved Regulatory Depreciation</p> <p>"Relevant Dealer" means, in relation to the Initial Closing Date, each of the Joint Arrangers, and in relation to a Relevant Subscription Agreement which is made between the Issuer and more than one Dealer after the Initial Closing Date, the institution specified as such or as the Dealer in the Final Terms and/or in such Relevant Subscription Agreement;</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>and, in relation to a Relevant Subscription Agreement which is made between the Issuer, WWU, WWH and a single Dealer, such Dealer</p> <p>"Relevant Regime Testing Date" means, as applicable, either</p> <ul style="list-style-type: none"> (a) the date of a proposed Restricted Payment, if an Obligor proposes to make a Restricted Payment pursuant to Paragraph 34 (<i>Restricted Payments</i>) of Part 3 (<i>General Covenants</i>) of Schedule 4 (<i>Covenants</i>) to the CTA; or (b) the date of proposed incurrence of Permitted Financial Indebtedness pursuant to paragraph (1)(v)(C) or paragraph (1)(vi)(C) of the definition of Permitted Financial Indebtedness <p>"Relevant Subscription Agreement" means an agreement between, among others, each Obligor and any Dealer(s) for the sale by the Issuer and the purchase or, as the case may be, subscription as principal by such Dealer(s) (or on such other basis as may be agreed between the Obligors and the relevant Dealer(s) at the relevant time) of any Bonds, including any agreement in the form or based on the form set out in Schedule 6 (<i>Pro Forma Subscription Agreement</i>) to the Dealership Agreement</p> <p>"Replacement Expenditure" means replacement expenditure as defined by Ofgem in accordance with Special Condition E5 of the GT Licence</p> <p>"Request" means a request for utilisation of any Authorised Credit Facility</p> <p>"Required Financial Indebtedness" means Financial Indebtedness which is permitted to be incurred by the Issuer or WWU pursuant to paragraphs (1)(v)(B) and (1)(vi)(B) of the definition of Permitted Financial Indebtedness and is required in order to enable WWU to make payment of any amount due pursuant to paragraphs (ii) to (xviii) of the Payment Priorities in circumstances where WWU has insufficient funds available to make such payment (including any amounts payable to the Compensation Account) (after utilising amounts already standing to the credit of the Compensation Account, amounts standing to the credit of the Debt Service Payment Account, the Operating Accounts, the Debt Service Reserve Accounts and amounts available under any DSR Liquidity Facility in accordance with the provisions of Schedule 10 (<i>Cash Management</i>) to the CTA) provided that the incurrence of such Financial Indebtedness is otherwise in compliance with paragraph (h) of the definition of Permitted Financial Indebtedness</p> <p>"Reserved Matters" means the rights of the Secured Creditors provided by the terms of Clause 8.9 (<i>Reserved Matters of Secured Creditors and/or Secured Creditor Representatives</i>) of the STID and the Security Trustee Reserved Matters, the Bond Trustee Reserved Matters, the Existing Bond Trustee Reserved Matters, the Financial Guarantor Reserved Matters and the Hedge Counterparty Reserved Matters provided by the terms of Clause 8.10 (<i>Reserved Matters of Security Trustee, Bond Trustee, Existing Bond Trustee, Financial Guarantors and Hedge Counterparties</i>) and Schedule 3 (<i>Reserved Matters</i>) to the STID.</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>"Restricted Chargors" means each of the Issuer and WWU and any other entity which accedes to the Security Agreement pursuant to Clause 22.3 (<i>Further Subsidiaries</i>) thereof that is restricted from providing guarantees and/or security by its regulatory or statutory obligations</p> <p>"Restricted Payment" means any Distribution or any payment under the Subordinated Debt other than</p> <ul style="list-style-type: none"> (a) any payment under any Authorised Credit Facility in accordance with the provisions of the CTA and the STID, (b) a payment made under a Permitted Tax Loss Transaction; or (c) any Permitted Post Closing Event. <p>"Restricted Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Restricted Chargor to any Secured Creditor under each Finance Document to which such Restricted Chargor is a party</p> <p>"Retail Price Index" or "RPI" means</p> <ul style="list-style-type: none"> (a) (except in the case of an RPI Linked Hedging Agreement) the all items retail price index for the United Kingdom published by the Office for National Statistics each month (or at any future date such other index of retail prices as may have then replaced it for the purposes of Ofgem's determination of price limits for gas transportation services); or (b) in the case of an RPI Linked Hedging Agreement, such other index or retail prices as specified in such RPI Linked Hedging Agreement. <p>"Rights" means all rights vested in the Security Trustee by virtue of, or pursuant to, its holding the interests conferred on it by the Security Documents or otherwise under the other Finance Documents or under the Ancillary Documents and all rights to make demands, bring proceedings or take any other action in respect of such rights</p> <p>"RPI Linked Hedging Agreement" means a Hedging Agreement with a Hedge Counterparty in respect of one or more Treasury Transactions to hedge payments (including payments in respect of indexation accretion) to be made by the Issuer or, as the case may be, WWU by reference to RPI</p> <p>"RPI Linked Hedging Transaction" means a Hedging Transaction with a Hedge Counterparty to hedge payments to be made by the Issuer, or, as the case may be, WWU by reference to RPI.</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>"Secured Creditor" means the Security Trustee (in its own capacity and on behalf of the other Secured Creditors), the Bond Trustee (in its own capacity and on behalf of the Bondholders), the Existing Bond Trustee (in its own capacity and on behalf of the relevant Existing Bondholders), the Bondholders, the Existing Bondholders, each Financial Guarantor (if any), the Hedge Counterparties, the Issuer, the Account Bank, the Liquidity Facility Agents, any Liquidity Facility Arrangers, each Liquidity Facility Provider, the Initial Credit Facility Agent, the Class A Initial Facility Agent, the Class B Initial Facility Agent, the Class A Initial L/C Facility Agent, the Initial Issuing Bank, the Initial L/C Facility Provider, each Class A Initial Term Facility Provider, each Class A Initial Credit Facility Provider, each Class B Initial Credit Facility Provider, each Authorised Credit Provider any EIB Authorised Credit Provider, the Cash Manager (other than when the Cash Manager is WWU), the Standstill Cash Manager, each Agent and any Additional Secured Creditors.</p> <p>"Secured Liabilities" means the Restricted Secured Liabilities and the Unrestricted Secured Liabilities</p> <p>"Securities Act" means the United States Securities Act of 1933, as amended</p> <p>"Security" means the security constituted by the Security Documents including any Guarantee or obligation to provide cash collateral or further assurance thereunder.</p> <p>"Security Agreement" means the deed of charge and guarantee executed in favour of the Security Trustee by each of the Obligors on or about the Initial Closing Date</p> <p>"Security Assets" means all property, assets, rights and undertakings the subject of the Security created by the Obligors (in their capacity as chargors) pursuant to any Security Document, together with the Rights relating thereto</p> <p>"Security Documents" means:</p> <ul style="list-style-type: none"> (a) the Security Agreement; (b) the STID, any deed of accession thereto and any deed supplemental thereto; and <p>any other document evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor to a Secured Creditor under the Finance Documents</p> <p>"Security Interest" means.</p> <ul style="list-style-type: none"> (a) any mortgage, pledge, lien, charge, assignment or hypothecation or other encumbrance securing any obligation of any person; (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person, or 	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>(c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect.</p> <p>"Security Trustee" means Deutsche Trustee Company Limited or any successor appointed pursuant to the STID</p> <p>"Security Trustee Reserved Matters" means those matters set out in Part A (<i>Security Trustee Reserved Matters</i>) of Schedule 3 (<i>Reserved Matters</i>) to the STID</p> <p>"Senior Debt" means all Class A Debt and Class B Debt and any other Financial Indebtedness ranking in priority to Subordinated Debt of any member of the WWU Financing Group</p> <p>"Senior Facilities" means the facilities made available to the Chargor pursuant to the Senior Facilities Agreement</p> <p>"Senior Facilities Agreement" means the £1,087,000,000 senior facilities agreement dated 30 August 2004, as amended from time to time, between, among others, the Chargor, Barclays Capital, Dresdner Kleinwort Wasserstein Limited and The Royal Bank of Scotland plc as mandated lead arrangers pursuant to which the Senior Facilities were made available to WWU (which were refinanced in full on the Initial Closing Date).</p> <p>"Senior Net Indebtedness" means, as at any date:</p> <p>(a) the aggregate of the WWU Financing Group's Financial Indebtedness outstanding (or, in respect of a future date, forecast to be outstanding) under and in connection with any Senior Debt on such date (excluding any un-crystallised mark to market amount relating to any Hedging Agreement and, to the extent that the Financial Indebtedness thereunder remains a contingent liability, Financial Indebtedness referred to in paragraphs (b) and (k) of the definition of Financial Indebtedness) and the nominal amount of any Financial Indebtedness pursuant to paragraph (d) of the definition of Permitted Financial Indebtedness (or, in respect of a future date, forecast to be outstanding) on such date (in each case including all accretions by indexation to the notional amount under any RPI Linked Hedging Agreement and all indexation accrued on any such liabilities which are indexed), <i>less</i></p> <p>(b) the value of all Authorised Investments and cash (other than any amounts which represent Distributions which have been declared but not yet paid on such date and other than amounts standing to the credit of (or Authorised Investments made utilising amounts standing to the credit of) any Debt Service Reserve Account, the O&M Reserve Account, any Cash Cover Account, any Mandatory Prepayment Account, the Compensation Account or any Swap Collateral Account),</p> <p>provided that, where such debt is denominated other than in Sterling, the nominal amount outstanding will be calculated (i) in respect of debt with associated Currency Hedging Agreements, by reference to the applicable hedge rates specified in the relevant Currency</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>Hedging Agreements; or (11) in respect of debt with no associated Currency Hedging Agreements, by reference to the Exchange Rate on such date</p> <p>"Senior RAR" means, in respect of any Test Date, the ratio of Senior Net Indebtedness to RAV as at such Test Date.</p> <p>"Series" means a series of Bonds issued under the Programme on a particular Issue Date, together with any Tranche or Tranches of Bonds issued which are expressed to be consolidated and form a single Sub-Class with any previously issued Sub-Class.</p> <p>"Standard & Poor's" or "S&P" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies Inc or any successor to the rating business of Standard & Poor's Rating Services.</p> <p>"Standstill" means, as provided for in Clause 13 1 (<i>Commencement of Standstill</i>) of the STID, a standstill of claims of the Secured Creditors against WWU and the Issuer immediately upon notification to the Security Trustee of the occurrence of an Event of Default.</p> <p>"Standstill Cash Manager" means Barclays Bank PLC in its capacity as Standstill Cash Manager under the CTA, or any successor Standstill Cash Manager appointed in accordance with Schedule 10 (<i>Cash Management</i>) to the CTA.</p> <p>"Standstill Period" means a period during which a standstill arrangement is subsisting, commencing on the date as determined by Clause 13 1 (<i>Commencement of Standstill</i>) of the STID and ending on the date as determined by Clause 13 4 (<i>Termination of Standstill</i>) of the STID</p> <p>"STID Direct Voting Matter" means, other than in respect of Entrenched Rights and Reserved Matters of the Bondholders or, as the case may be, the Existing Bondholders and, provided that (other than in respect of paragraphs (c) and (d) below) a Default Situation is not subsisting and subject to the terms of the STID, each of the following</p> <ul style="list-style-type: none"> (a) a STID Proposal and its accompanying STID Directions Request, (b) a DIG Proposal and its accompanying DIG Directions Request (other than in respect of Clause 9.7 1(11) of the STID), (c) a STID Proposal and its accompanying STID Directions Request in respect of which the relevant proposer has made a statement pursuant to Clause 9.2.5 (<i>Minimum Content of STID Proposal</i>) of the STID in respect of its intention to utilise the Emergency Instruction Procedure in relation thereto; and (d) a DIG Proposal and its accompanying DIG Directions Request in respect of which the relevant Proposer has made a statement pursuant to Clause 9 7.1 (<i>DIG Directions Request</i>) of the STID in respect of its intention to utilise the Emergency Instruction 	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>Procedure in relation thereto</p> <p>"STID Directions Request" has the meaning given to such term in Clause 9 3 (<i>Notice to Secured Creditors of STID Proposal</i>) of the STID.</p> <p>"STID Matter" means a STID Proposal, a STID Directions Request, a DIG Proposal, a DIG Directions Request and an Emergency Instruction Notice.</p> <p>"STID Proposal" has the meaning given to such term in Clause 9 1 (<i>Instigation of STID Proposal</i>) of the STID</p> <p>"Sub-Class" means a division of a Class</p> <p>"Subordinated Creditor" means the Initial Subordinated Creditor (in respect of the Initial Subordinated Loan Agreement), WWH (in respect of the WWH/WWU Loan Agreement) and any other credit provider in respect of Subordinated Debt where such credit provider has acceded to the CTA and the STID</p> <p>"Subordinated Debt" means the Initial Subordinated Loan and any Financial Indebtedness that is fully subordinated, in a manner satisfactory to the Security Trustee, to the Senior Debt and where the relevant Subordinated Creditor has acceded to the CTA and the STID.</p> <p>"Subscription Agreement" means an agreement supplemental to the Dealership Agreement (by whatever name called) substantially in the form set out in Schedule 6 (<i>Pro Forma Subscription Agreement</i>) to the Dealership Agreement or in such other form as may be agreed between, among others, the Issuer and the Lead Manager or one or more Dealers (as the case may be)</p> <p>"Subsidiary" means.</p> <p>(a) a subsidiary within the meaning of section 1159 (and Schedule 6) of the Companies Act; and</p> <p>(b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 (and Schedule 7) of the Companies Act</p> <p>"Successor" means, in relation to the Principal Paying Agent, the Existing Bond Paying Agent, the other Paying Agents, the Registrar, the Transfer Agent, the Agent Bank and the Calculation Agent, any successor to any one or more of them in relation to the Bonds which shall become such pursuant to the provisions of the Bond Trust Deed and/or the Agency Agreement (as the case may be) and/or such other or further principal paying agent, paying agents, registrar, transfer agent, agent bank and calculation agent (as the case may be) in relation to the Bonds as may (with the prior approval of, and on terms previously approved by, the Bond Trustee in writing) from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the case of the Principal Paying Agent being within the same city as the office(s) for which it is substituted) as may from time to</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>time be nominated, in each case by the Issuer and the Obligors, and (except in the case of the initial appointments and specified offices made under and specified in the Conditions and/or the Agency Agreement, as the case may be) notice of whose appointment or, as the case may be, nomination has been given to the Bondholders</p> <p>"Swap Collateral Account" means any account of the Issuer or WWU entitled "Swap Collateral Account" held at the Account Bank and includes any sub-account relating to that account and any replacement from time to time into which any collateral provided by a Hedge Counterparty shall be deposited upon the relevant trigger occurring for the provision of such collateral under the terms of the applicable Hedging Agreement</p> <p>"Talons" means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons or Receipts, as the case may be, appertaining to, the Definitive Bonds (other than Zero Coupon Bonds) such talons being in the form or substantially in the form set out in Part F (<i>Form of Talon</i>) of Schedule 2 (<i>Forms of Global and Definitive Bonds, Receipts, Coupons and Talons</i>) to the Bond Trust Deed or in such other form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 14 (<i>Replacement of Bonds, Coupons, Receipts and Talons</i>)</p> <p>"TARGET Settlement Day" has the meaning given to such term in Condition 6(n) (<i>Definitions</i>)</p> <p>"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest) and "Taxes", "taxation", "taxable" and comparable expressions will be construed accordingly</p> <p>"Tax Deed of Covenant" means the deed of covenant to be entered into on or about the Initial Closing Date by, among others, the Security Trustee, the Parent and the Obligors</p> <p>"Temporary Global Bond" means in relation to any Sub-Class of Bearer Bonds a temporary global bond in the form or substantially in the form set out in Part A (<i>Form of Temporary Global Bond</i>) of Schedule 2 (<i>Forms of Global and Definitive Bonds, Receipts, Coupons and Tables</i>) to the Bond Trust Deed together with the copy of the applicable Final Terms annexed thereto, with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), comprising some or all of the Bearer Bonds of the same Tranche, issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) relating to the Programme, the Agency Agreement and the Bond Trust Deed</p> <p>"Test Date" means each of the following dates in respect of the Senior RAR and the Class A RAR in respect of any Calculation Date (including the Preliminary Calculation Date)</p> <p>(a) 31 March in the same calendar year as such Calculation Date,</p> <p>(b) 31 March in the calendar year immediately following the calendar year in which</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured
	Please give us details of the amount secured by the mortgage or charge
Amount secured	<p>such Calculation Date falls,</p> <p>(c) each subsequent 31 March to and including the Date Prior, and</p> <p>(d) if the Calculation Date falls within the 13 month period immediately prior to the Date Prior, 31 March falling 12 months following the Date Prior,</p> <p>provided that, for the Calculation Date on 30 September 2010, the first Test Date shall be 31 March 2011</p> <p>"Test Period" means in respect of a Calculation Date (including the Preliminary Calculation Date) each of the following periods</p> <p>(a) the period of 12 months ending on 31 March in the same calendar year as such Calculation Date;</p> <p>(b) the period of 12 months starting on 1 April in the same calendar year as such Calculation Date;</p> <p>(c) each subsequent 12 month period up to and including the Date Prior, and</p> <p>(d) if the Calculation Date falls within the 13 month period immediately prior to the Date Prior, the 12 month period starting on the date immediately following the Date Prior,</p> <p>provided that, for the Preliminary Calculation Date and the Calculation Date on 30 September 2010, the first Test Period shall be from (and including) 1 April 2010 to (and including) 31 March 2011</p> <p>"Tranche" means all Bonds which are identical in all respects save for the Issue Date, Interest Commencement Date and Issue Price of the Bonds.</p> <p>"Transfer Agent" means Deutsche Bank Luxembourg S.A. under the Agency Agreement, including any Successors thereto</p> <p>"Transportation Business" means the activities of WWU connected with the development, administration, maintenance and operation of the transportation system to which the GT Licence relates and with the supply of transportation services, together with the provision, installation, commissioning, inspection, repairing, alteration, repositioning, removal, renewal, maintenance and reading of meters and metering equipment</p> <p>"Treasury Transaction" means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, interest rate or currency or future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap index-linked swap, currency swap, inflation linked swap or combined similar agreement or any derivative transaction protecting against or benefiting from fluctuations in</p>

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>any rate index or price.</p> <p>"Trigger Event" means any of the events or circumstances identified as such in Part 1 (<i>Trigger Events</i>) of Schedule 5 (<i>Trigger Events</i>) to the CTA</p> <p>"Trigger Event Consequences" means any of the consequences identified as such in Part 2 (<i>Trigger Event Consequences</i>) of Schedule 5 (<i>Trigger Events</i>) to the CTA.</p> <p>"UK" means the United Kingdom</p> <p>"UK Listing Authority" or "UKLA" means the Financial Services Authority in its capacity as competent authority under the FSMA</p> <p>"Unrestricted Chargors" means WWH and any other entity which accedes to the Security Agreement pursuant to Clause 22.3 (<i>Further Subsidiaries</i>) thereof that is not restricted from providing guarantees and/or security by its regulatory or statutory obligations.</p> <p>"Unrestricted Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Restricted or Unrestricted Chargor to any Secured Creditor under each Finance Document to which such Restricted or Unrestricted Chargor is a party.</p> <p>"Unwrapped Bondholders" means the holders for the time being of the Unwrapped Bonds and "Unwrapped Bondholder" shall be construed accordingly.</p> <p>"Unwrapped Bonds" means Bonds that do not have the benefit of a Financial Guarantee</p> <p>"Unwrapped Debt" means Senior Debt that does not have the benefit of a Financial Guarantee.</p> <p>"VAT" means value added tax imposed by VATA and legislation and regulations supplemental thereto and includes any other tax of a similar fiscal nature whether imposed in the United Kingdom (instead of or in addition to value added tax) or elsewhere from time to time</p> <p>"VAT Group" means a group for the purposes of the VAT Grouping Legislation</p> <p>"VAT Grouping Legislation" means (a) sections 43 to 43D (inclusive) of VATA and (b) the Value Added Tax (Groups eligibility) Order 2004 (SI 2004/1931)</p> <p>"VATA" means the Value Added Tax Act 1994.</p> <p>"Voted Qualifying Class A Debt" means the aggregate Outstanding Principal Amount of Qualifying Class A Debt voted by the Class A DIG Representatives in accordance with Clause 9.9 (<i>Binding Vote of DIG Representatives</i>) of the STID as part of the Class A DIG.</p>	

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>"Voted Qualifying Class B Debt" means the aggregate Outstanding Principal Amount of Qualifying Class B Debt voted by the Class B DIG Representatives in accordance with Clause 9.9 (<i>Binding Vote of DIG Representatives</i>) of the STID as part of the Class B DIG</p>	

MG01 - continuation page
Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured		

MG01 - continuation page

Particulars of a mortgage or charge

4

Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured

MG01 - continuation page

Particulars of a mortgage or charge

4	Amount secured	
	Please give us details of the amount secured by the mortgage or charge	
Amount secured	<p>"Working Capital Facility" means the £30,000,000 revolving credit facility provided to WWU pursuant to the Class A Initial Facility Agreement</p> <p>"Wrapped Bonds" means any Bonds that have the benefit of a Financial Guarantee</p> <p>"Wrapped Bondholders" means the holders for the time being of the Wrapped Bonds and "Wrapped Bondholder" shall be construed accordingly</p> <p>"WWH" means Wales & West Utilities Holdings Limited, a private limited company incorporated in England and Wales (registered number 7092596).</p> <p>"WWH/WWU Loan Agreement" means the loan agreement dated 1 June 2005 originally between MGN Gas Networks (Senior Finance) Limited and WWU and novated to WWH on the Initial Closing Date (as amended from time to time, including on the Initial Closing Date).</p> <p>"WWU" means the Chargor</p> <p>"WWU Business Financial Model" means the latest business financial model prepared by WWU and delivered to the Security Trustee from time to time</p> <p>"WWU Financing Group" means WWH, WWU, the Issuer and any other Permitted Subsidiaries (other than the Pension Trustee)</p> <p>"Zero Coupon Bond" means a Bond specified as such in the relevant Final Terms and on which no interest is payable</p>	

MG01

Particulars of a mortgage or charge

5 Mortgagee(s) or person(s) entitled to the charge (if any)

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge

Continuation page

Please use a continuation page if you need to enter more details

Name Deutsche Trustee Company Limited

Address Winchester House, 1 Great Winchester Street, London

Postcode E C 2 N 2 D B

Name

Address

Postcode

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Continuation page

Please use a continuation page if you need to enter more details

Short particulars

Please refer to the Short particulars continuation pages attached hereto (*Short Particulars of all the Property Mortgaged or Charged*) and the Amount Secured continuation pages attached hereto for definitions

MG01 - continuation page
Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p align="center">SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED</p> <p>1 THE ORIGINAL SECURITY</p> <p>The Chargor has acknowledged and agreed that the Security initially to be held by, or to the order of, the Security Trustee upon the trusts contained in the STID will comprise the benefit of the encumbrances, rights, obligations and other security granted in favour of the Security Trustee for itself and each of the other Secured Creditors (on the terms set out in the STID) under each Security Document and the Ancillary Documents given to the Security Trustee for the benefit of the Secured Creditors and all notices of assignment or charge given pursuant to any of the Security Documents and all acknowledgements given in respect of such notices</p> <p>2 ADDITIONAL SECURITY</p> <p>The Security Trustee may from time to time accept as Security for any or all of the Secured Liabilities the benefit of any additional encumbrances, rights, obligations or other security as may from time to time be offered to it as Security for any or all of the Secured Liabilities.</p> <p>3 NEGATIVE PLEDGE</p> <p>The STID contains a negative pledge</p>	

MG01

Particulars of a mortgage or charge

7

Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return The rate of interest payable under the terms of the debentures should not be entered

Commission allowance
or discount

8

Delivery of instrument

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860) If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 866)

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 870) The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it Where a body corporate gives the verification, an officer of that body must sign it We will also accept a verified copy where section 867(2) applies (property situated in another part of UK)

9

Signature

Please sign the form here

Signature

Signature

X Jennifer Mitchell .

X

This form must be signed by a person with an interest in the registration of the charge

MG01

Particulars of a mortgage or charge



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name Jennifer Mitchell

Company name Clifford Chance LLP

Address 10 Upper Bank Street

Post town London

County/Region

Postcode E 1 4 5 J J

Country

DX 149120 Canary Wharf 3

Telephone 020 7006 8636



Certificate

We will send your certificate to the presenter's address if given above or to the Company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included the original deed with this form
- ☐ You have entered the date the charge was created
- ☐ You have supplied the description of the instrument
- ☐ You have given details of the amount secured by the mortgagee or chargee
- ☐ You have given details of the mortgagee(s) or person(s) entitled to the charge
- ☐ You have entered the short particulars of all the property mortgaged or charged
- ☐ You have signed the form
- ☐ You have enclosed the correct fee



Important information

Please note that all information on this form will appear on the public record.



How to pay

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

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
First Floor, Waterfront Plaza, 8 Laganbank Road,
Belfast, Northern Ireland, BT1 3BS
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

Pursuant to section 869(5) & (6) of the Companies Act 2006

COMPANY NO. 5046791
CHARGE NO. 4

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SECURITY TRUST AND
INTERCREDITOR DEED DATED 31 MARCH 2010 AND CREATED
BY WALES & WEST UTILITIES LIMITED FOR SECURING ALL
MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO
ANY SECURED CREDITOR ON ANY ACCOUNT WHATSOEVER
UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT
CREATING OR EVIDENCING THE CHARGE WAS REGISTERED
PURSUANT TO CHAPTER 1 PART 25 OF THE COMPANIES ACT
2006 ON THE 7 APRIL 2010

GIVEN AT COMPANIES HOUSE, CARDIFF THE 12 APRIL 2010



Companies House
— for the record —

DX/DT



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES