

COMPLIANCE CERTIFICATE

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

29 July 2020

Dear Sirs

Amended and Restated Common Terms Agreement dated 20 April 2020 between, among others, the Issuer, YWSF, YWS and Deutsche Trustee Company Limited (the "Security Trustee") (the "Common Terms Agreement")

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

- We refer to the Common Terms Agreement. This is a Compliance Certificate.
- We confirm that the ratios are as detailed in the table below in respect of the Calculation Date of 31 March 2020.

Date	31/03/2020 Actual	31/03/2021 Forecast	31/03/2022 Forecast	31/03/2023 Forecast	31/03/2024 Forecast	31/03/2025 Forecast
Class A RAR	69.9%	70.3%	69.6%	68.7%	67.9%	70.5%
Senior RAR	77.8%	78.2%	76.5%	75.4%	74.5%	77.1%

Test Period	31/03/2020 Actual	31/03/2021 Forecast	31/03/2022 Forecast	31/03/2023 Forecast	31/03/2024 Forecast	31/03/2025 Forecast
Class A ICR	3.52x	4.45x	4.19x	4.14x	4.18x	4.06x
Class A Adjusted ICR	3.52x	4.45x	4.19x	4.14x	4.18x	4.06x
Senior Adjusted ICR	3.15x	4.03x	3.81x	3.81x	3.85x	3.74x
Class A Average Adjusted ICR	4.05x	4.26x	4.17x	4.12x	4.12x	4.12x
Senior Average Adjusted ICR	3.66x	3.88x	3.82x	3.80x	3.80x	3.80x
Conformed Class A Adjusted ICR	1.43x	1.30x	1.56x	1.61x	1.45x	1.37x
Conformed Senior Adjusted ICR	1.28x	1.17x	1.42x	1.48x	1.34x	1.26x
Conformed Class A Average Adjusted ICR	1.43x	1.49x	1.54x	1.48x	1.48x	1.48x
Conformed Senior Average Adjusted ICR	1.29x	1.36x	1.41x	1.36x	1.36x	1.36x
Re-profiled Class A ICR	3.52x	4.58x	4.08x	3.99x	4.20x	4.17x
Re-profiled Class A Adjusted ICR	1.43x	1.43x	1.46x	1.46x	1.48x	1.48x
Re-profiled Senior Adjusted ICR	1.28x	1.30x	1.33x	1.35x	1.36x	1.36x
Re-profiled Class A Average Adjusted ICR	1.44x	1.45x	1.47x	1.47x	1.47x	1.47x
Re-profiled Senior Average Adjusted ICR	1.30x	1.32x	1.34x	1.36x	1.36x	1.36x

(together the "Ratios").

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

Test Period		Year ending 31/03/2020 Actual	Year ending 31/03/2021 Forecast	Year ending 31/03/2022 Forecast	Year ending 31/03/2023 Forecast	Year ending 31/03/2024 Forecast	Year ending 31/03/2025 Forecast
Net Cash Flow divided by	£m	544.8	596.8	624.9	644.3	619.7	611.8
Class A Debt Interest	£m	154.7	134.2	149.3	155.7	148.3	150.8
Class A ICR	times	3.52	4.45	4.19	4.14	4.18	4.06
Net Cash Flow	£m	544.8	596.8	624.9	644.3	619.7	611.8
Less CCD and IRC	£m	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	544.8	596.8	624.9	644.3	619.7	611.8
Class A Debt Interest	£m	154.7	134.2	149.3	155.7	148.3	150.8
Class A Adjusted ICR	times	3.52	4.45	4.19	4.14	4.18	4.06
Net Cash Flow	£m	544.8	596.8	624.9	644.3	619.7	611.8
Less CCD and IRC	£m	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	544.6	596.8	624.9	644.3	619.7	611.8
Senior Debt Interest	£m	172.9	148.1	164.0	169.3	161.1	163.8
Senior Adjusted ICR	times	3.15	4.03	3.81	3.81	3.85	3.74
Year 1 Class A Average Adjusted ICR	times	3.52	4.45	4.19	4.14	4.14	4.14
Year 2 Class A Average Adjusted ICR	times	4.45	4.19	4.14	4.18	4.18	4.18
Year 3 Class A Average Adjusted ICR	times	4.19	4.14	4.18	4.06	4.06	4.06
Class A Average Adjusted ICR	times	4.05	4.26	4.17	4.12	4.12	4.12
Year 1 Senior Average Adjusted ICR	times	3.15	4.03	3.81	3.81	3.81	3.81
Year 2 Senior Average Adjusted ICR	times	4.03	3.81	3.81	3.85	3.85	3.85
Year 3 Senior Average Adjusted ICR	times	3.81	3.81	3.85	3.74	3.74	3.74
Senior Average Adjusted ICR	times	3.66	3.88	3.82	3.80	3.80	3.80

Test Period		Year ending 31/03/2020 Actual	Year ending 31/03/2021 Forecast	Year ending 31/03/2022 Forecast	Year ending 31/03/2023 Forecast	Year ending 31/03/2024 Forecast	Year ending 31/03/2025 Forecast
Net Cash Flow	£m	544.8	596.8	624.9	644.3	619.7	611.8
Less Depreciation	£m	(212.5)	(264.8)	(276.3)	(287.9)	(296.8)	(301.2)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(123.8)	(135.3)	(92.2)	(83.9)	(87.5)	(87.7)
Fast/Slow Adjustment	£m	12.0	(22.7)	(23.1)	(21.6)	(19.8)	(16.9)
Adjusted Cash Flow divided by	£m	220.6	174.0	233.3	250.8	215.5	206.0
Class A Debt Interest	£m	154.7	134.2	149.3	155.7	148.3	150.8
Conformed Class A Adjusted ICR	times	1.43	1.30	1.56	1.61	1.45	1.37
Net Cash Flow	£m	544.8	596.8	624.9	644.3	619.7	611.8
Less Depreciation	£m	(212.5)	(264.8)	(276.3)	(287.9)	(296.8)	(301.2)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(123.8)	(135.3)	(92.2)	(83.9)	(87.5)	(87.7)
Fast/Slow Adjustment	£m	12.0	(22.7)	(23.1)	(21.6)	(19.8)	(16.9)
Adjusted Cash Flow divided by	£m	220.6	174.0	233.3	250.8	215.5	206.0
Senior Debt Interest	£m	172.9	148.1	164.0	169.3	161.0	163.8
Conformed Senior Adjusted ICR	times	1.28	1.17	1.42	1.48	1.34	1.26
Year 1 Conformed Class A Average Adjusted ICR	times	1.43	1.30	1.56	1.61	1.61	1.61
Year 2 Conformed Class A Average Adjusted ICR	times	1.30	1.56	1.61	1.45	1.45	1.45
Year 3 Conformed Class A Average Adjusted ICR	times	1.56	1.61	1.45	1.37	1.37	1.37
Conformed Class A Average Adjusted ICR	times	1.43	1.49	1.54	1.48	1.48	1.48
Year 1 Conformed Senior Average Adjusted ICR	times	1.28	1.17	1.42	1.48	1.48	1.48
Year 2 Conformed Senior Average Adjusted ICR	times	1.17	1.42	1.48	1.34	1.34	1.34
Year 3 Conformed Senior Average Adjusted ICR	times	1.42	1.48	1.34	1.26	1.26	1.26
Conformed Senior Average Adjusted ICR	times	1.29	1.36	1.41	1.36	1.36	1.36

Test Period		Year ending 31/03/2020 Actual	Year ending 31/03/2021 Forecast	Year ending 31/03/2022 Forecast	Year ending 31/03/2023 Forecast	Year ending 31/03/2024 Forecast	Year ending 31/03/2025 Forecast
Net Cash Flow	£m	544.8	596.8	624.9	644.3	619.7	611.8
Profiling Adjustment	£m	0.0	18.5	(15.8)	(23.0)	3.8	17.2
Re-profiled Net Cash Flow divided by	£m	544.8	615.3	609.1	621.3	623.4	629.0
Class A Debt Interest	£m	154.7	134.2	149.3	155.7	148.3	150.8
Re-profiled Class A ICR	times	3.52	4.58	4.08	3.99	4.20	4.17
Net Cash Flow	£m	544.8	596.8	624.9	644.3	619.7	611.8
Less Depreciation	£m	(212.5)	(264.8)	(276.3)	(287.9)	(296.8)	(301.2)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(123.8)	(135.3)	(92.2)	(83.9)	(87.5)	(87.7)
Fast/Slow Adjustment	£m	12.0	(22.7)	(23.1)	(21.6)	(19.8)	(16.9)
Profiling Adjustment	£m	0.0	18.5	(15.8)	(23.0)	3.8	17.2
Adjusted Cash Flow divided by	£m	220.6	192.5	217.5	227.8	219.3	223.2
Class A Debt Interest	£m	154.7	134.2	149.3	155.7	148.3	150.8
Re-profiled Class A Adjusted ICR	times	1.43	1.43	1.46	1.46	1.48	1.48
Net Cash Flow	£m	544.8	596.8	624.9	644.3	619.7	611.8
Less Depreciation	£m	(212.5)	(264.8)	(276.3)	(287.9)	(296.8)	(301.2)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(123.8)	(135.3)	(92.2)	(83.9)	(87.5)	(87.7)
Fast/Slow Adjustment	£m	12.0	(22.7)	(23.1)	(21.6)	(19.8)	(16.9)
Profiling Adjustment	£m	0.0	18.5	(15.8)	(23.0)	3.8	17.2
Adjusted Cash Flow divided by	£m	220.6	192.5	217.5	227.8	219.3	223.2
Senior Debt Interest	£m	172.9	148.1	164.0	169.3	161.0	163.8
Re-profiled Senior Adjusted ICR	times	1.28	1.30	1.33	1.35	1.36	1.36
Year 1 Re-profiled Class A Average Adjusted ICR	times	1.43	1.43	1.46	1.46	1.46	1.46
Year 2 Re-profiled Class A Average Adjusted ICR	times	1.43	1.46	1.46	1.48	1.48	1.48
Year 3 Re-profiled Class A Average Adjusted ICR	times	1.46	1.46	1.48	1.48	1.48	1.48
Re-profiled Class A Average Adjusted ICR	times	1.44	1.45	1.47	1.47	1.47	1.47
Year 1 Re-profiled Senior Average Adjusted ICR	times	1.28	1.30	1.33	1.35	1.35	1.35
Year 2 Re-profiled Senior Average Adjusted ICR	times	1.30	1.33	1.35	1.36	1.36	1.36
Year 3 Re-profiled Senior Average Adjusted ICR	times	1.33	1.35	1.36	1.36	1.36	1.36
Re-profiled Senior Average Adjusted ICR	times	1.30	1.32	1.34	1.36	1.36	1.36

Test Period		31/03/2020 Actual	31/03/2021 Forecast	31/03/2022 Forecast	31/03/2023 Forecast	31/03/2024 Forecast	31/03/2025 Forecast
Class A Debt	£m	5,120.4	4,926.6	5,116.6	5,239.6	5,297.9	5,533.6
Less Cash Balances	£m	(262.4)	0.0	0.0	0.0	0.0	0.0
Class A Net Debt	£m	4,858.0	4,926.6	5,116.6	5,239.6	5,297.9	5,533.6
Class B Debt	£m	549.2	550.8	506.9	511.1	515.5	520.0
Senior Net Debt	£m	5,407.2	5,477.4	5,623.5	5,750.8	5,813.4	6,053.6
RCV	£m	6,950.5	7,007.3	7,349.2	7,628.6	7,808.0	7,850.9
Class A RAR	%	69.9%	70.3%	69.6%	68.7%	67.9%	70.5%
Senior RAR	%	77.8%	78.2%	76.5%	75.4%	74.5%	77.1%

5. Under the terms of the CTA, Compliance Certificates are completed for the whole YW Financing Group and therefore certain adjustments are required to be made to the financial information contained within the financial statements of YW when calculating the current period ratios as reported in the above tables. The table below detail these adjustments.

Net debt	Reference	31/03/2020 Actual
		£m
YW net debt at 31 March 2020	Note 17 to YW's AR&FS	4,378.2
Net amounts owed in relation to loans to parent companies	Note 17 to YW's AR&FS	957.5
Fair value adjustment of bonds	Note 17 to YW's AR&FS	(145.9)
Unamortised issue costs	Note 17 to YW's AR&FS	13.6
Intercompany loans from other members of the YWFG	Note 17 to YW's AR&FS	(19.5)
Discount on RPI accretion on inflation linked swaps	Note 18 to YW's AR&FS	223.3
Senior Net Indebtedness		5,407.2
<i>of which Class A Net Indebtedness</i>		4,858.0

Adjusted Cash Flow	Reference	31/03/2020 Actual
		£m
YW EBITDA excluding exceptional items	YW's AR&FS – Strategic report	546.8
Tax Paid	Note 9 to YW's AR&FS	(0.0)
Changes in working capital	Table 1D line 5 of YW's APR	(2.0)
Net Cash Flow		544.8
Less Depreciation	YW FD (inflated to outturn)	(212.5)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation:		
- FD allowance	YW FD (inflated to outturn)	(136.4)
- IRE already deducted	Note 26 to YW's AR&FS	12.6
		(123.8)
Fast/Slow Adjustment	YW FD (inflated to outturn)	12.0
Adjusted Cash Flow		220.6

Class A / Senior Debt Interest	Reference	31/03/2020 Actual
		£m
Net interest paid	Table 1D line 10 of YW's APR	117.3
Interest received on subordinated intercompany loans	Note 7 to YW's AR&FS	49.6
Interest payable on inter-company loans to fund interest payments on exchange bonds held by subsidiary companies	Note 17 to YW's AR&FS	6.0
Senior Debt Interest		172.9
<i>of which Class A Debt Interest</i>		154.7

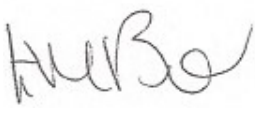
We also confirm that:

- (a) no Default or Potential Trigger Event is outstanding;
- (b) YWS's insurances are being maintained in accordance with:

- (i) the Common Terms Agreement; and
- (ii) the provisions of the Finance Leases;
- (c) the aggregate amount of all accretions by indexation to the original notional amounts of any Super-Senior RPI Linked Hedging Agreements is 3.21% of RCV as at 31 March 2020; and
- (d) no Event of Default or event which would be (with the expiry of a grace period, the giving of notice or the making of any determination or any combination thereof) an Event of Default under any Non-Participating YWSF Bond Debt has occurred and is outstanding.

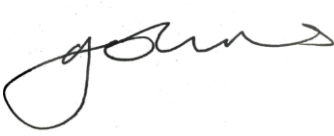
Yours faithfully

For and on behalf of
Yorkshire Water Services Limited



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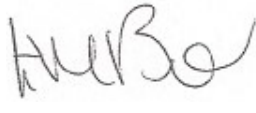
Liz Barber
Chief Executive Officer



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Chris Johns
Chief Financial Officer

For and on behalf of
Yorkshire Water Services Finance Limited



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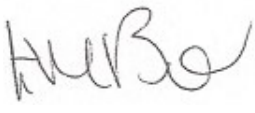
Liz Barber
Director



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Kathy Smith
Director

For and on behalf of
Yorkshire Water Finance plc



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Liz Barber
Director



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Kathy Smith
Director