

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")

27 November 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.

1. We refer to the Common Terms Agreement. This is a Compliance Certificate.
2. We confirm that the ratios are as detailed in the table below in respect of the Calculation Date of 30 September 2020.

Date	30/09/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Class A RAR	71.5%	70.7%	70.1%	69.2%	68.3%	71.0%
Senior RAR	79.4%	78.6%	77.0%	75.9%	75.0%	77.7%

Test Period	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
	Forecast	Forecast	Forecast	Forecast	Forecast
Class A ICR	4.42x	4.17x	4.12x	4.15x	4.00x
Class A Adjusted ICR	4.42x	4.17x	4.12x	4.15x	4.00x
Senior Adjusted ICR	4.01x	3.80x	3.79x	3.83x	3.68x
Class A Average Adjusted ICR	4.23x	4.14x	4.09x	4.09x	4.09x
Senior Average Adjusted ICR	3.87x	3.81x	3.77x	3.77x	3.77x
Conformed Class A Adjusted ICR	1.25x	1.55x	1.60x	1.43x	1.32x
Conformed Senior Adjusted ICR	1.13x	1.42x	1.47x	1.32x	1.22x
Conformed Class A Average Adjusted ICR	1.47x	1.53x	1.45x	1.45x	1.45x
Conformed Senior Average Adjusted ICR	1.34x	1.40x	1.34x	1.34x	1.34x
Re-profiled Class A ICR	4.56x	4.06x	3.97x	4.18x	4.11x
Re-profiled Class A Adjusted ICR	1.39x	1.45x	1.45x	1.46x	1.44x
Re-profiled Senior Adjusted ICR	1.26x	1.32x	1.33x	1.34x	1.32x
Re-profiled Class A Average Adjusted ICR	1.43x	1.45x	1.45x	1.45x	1.45x
Re-profiled Senior Average Adjusted ICR	1.30x	1.33x	1.33x	1.33x	1.33x

(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		31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Class A and Adjusted ICR		Forecast	Forecast	Forecast	Forecast	Forecast
Net Cash Flow divided by	£m	590.7	624.8	643.1	617.9	607.0
Class A Debt Interest	£m	133.7	149.9	156.3	148.9	151.8
Class A ICR	times	4.42	4.17	4.12	4.15	4.00
Net Cash Flow	£m	590.7	624.8	643.1	617.9	607.0
Less CCD and IRC	£m	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	590.7	624.8	643.1	617.9	607.0
Class A Debt Interest	£m	133.7	149.9	156.3	148.9	151.8
Class A Adjusted ICR	times	4.42	4.17	4.12	4.15	4.00
Net Cash Flow	£m	590.7	624.8	643.1	617.9	607.0
Less CCD and IRC	£m	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	590.7	624.8	643.1	617.9	607.0
Senior Debt Interest	£m	147.3	164.3	169.7	161.5	164.7
Senior Adjusted ICR	times	4.01	3.80	3.79	3.83	3.68
Year 1 Class A Average Adjusted ICR	times	4.42	4.17	4.12	4.12	4.12
Year 2 Class A Average Adjusted ICR	times	4.17	4.12	4.15	4.15	4.15
Year 3 Class A Average Adjusted ICR	times	4.12	4.15	4.00	4.00	4.00
Class A Average Adjusted ICR	times	4.23	4.14	4.09	4.09	4.09
Year 1 Senior Average Adjusted ICR	times	4.01	3.80	3.79	3.79	3.79
Year 2 Senior Average Adjusted ICR	times	3.80	3.79	3.83	3.83	3.83
Year 3 Senior Average Adjusted ICR	times	3.79	3.83	3.68	3.68	3.68
Senior Average Adjusted ICR	times	3.87	3.81	3.77	3.77	3.77

Test Period		31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Conformed ICR		Forecast	Forecast	Forecast	Forecast	Forecast
Net Cash Flow	£m	590.7	624.8	643.1	617.9	607.0
Less RCV run off (Depreciation)	£m	(265.4)	(276.6)	(288.2)	(297.0)	(301.4)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(135.6)	(92.2)	(84.0)	(87.6)	(87.8)
Fast/Slow Adjustment	£m	(22.8)	(23.1)	(21.6)	(19.8)	(16.9)
Adjusted Cash Flow divided by	£m	166.9	232.9	249.4	213.4	200.8
Class A Debt Interest	£m	133.7	149.9	156.3	148.9	151.8
Conformed Class A Adjusted ICR	times	1.25	1.55	1.60	1.43	1.32
Net Cash Flow	£m	590.7	624.8	643.1	617.9	607.0
Less RCV run off (Depreciation)	£m	(265.4)	(276.6)	(288.2)	(297.0)	(301.4)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(135.6)	(92.2)	(84.0)	(87.6)	(87.8)
Fast/Slow Adjustment	£m	(22.8)	(23.1)	(21.6)	(19.8)	(16.9)
Adjusted Cash Flow divided by	£m	166.9	232.9	249.4	213.4	200.8
Senior Debt Interest	£m	147.3	164.3	169.7	161.5	164.7
Conformed Senior Adjusted ICR	times	1.13	1.42	1.47	1.32	1.22
Year 1 Conformed Class A Average Adjusted ICR	times	1.25	1.55	1.60	1.60	1.60
Year 2 Conformed Class A Average Adjusted ICR	times	1.55	1.60	1.43	1.43	1.43
Year 3 Conformed Class A Average Adjusted ICR	times	1.60	1.43	1.32	1.32	1.32
Conformed Class A Average Adjusted ICR	times	1.47	1.53	1.45	1.45	1.45

Test Period		31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Conformed ICR		Forecast	Forecast	Forecast	Forecast	Forecast
Year 1 Conformed Senior Average Adjusted ICR	times	1.13	1.42	1.47	1.47	1.47
Year 2 Conformed Senior Average Adjusted ICR	times	1.42	1.47	1.32	1.32	1.32
Year 3 Conformed Senior Average Adjusted ICR	times	1.47	1.32	1.22	1.22	1.22
Conformed Senior Average Adjusted ICR	times	1.34	1.40	1.34	1.34	1.34

Test Period		31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Re-profiled Class A ICR		Forecast	Forecast	Forecast	Forecast	Forecast
Net Cash Flow	£m	590.7	624.8	643.1	617.9	607.0
Profiling (Revenue Re-profiling) Adjustment	£m	18.5	(15.8)	(23.0)	3.8	17.2
Re-profiled Net Cash Flow	£m	609.2	609.0	620.1	621.7	624.2
Class A Debt Interest	£m	133.7	149.9	156.3	148.9	151.8
Re-profiled Class A ICR	times	4.56	4.06	3.97	4.18	4.11
Net Cash Flow	£m	590.7	624.8	643.1	617.9	607.0
Less Depreciation (RCV run off)	£m	(265.4)	(276.6)	(288.2)	(297.0)	(301.4)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(135.6)	(92.2)	(84.0)	(87.6)	(87.8)
Fast/Slow (PAYG) Adjustment	£m	(22.8)	(23.1)	(21.6)	(19.8)	(16.9)
Profiling (Revenue Re-profiling) Adjustment		18.5	(15.8)	(23.0)	3.8	17.2
Re-profiled Adjusted Net Cash Flow divided by	£m	185.5	217.1	226.4	217.2	218.0
Class A Debt Interest	£m	133.7	149.9	156.3	148.9	151.8
Re-profiled Class A Adjusted ICR	times	1.39	1.45	1.45	1.46	1.44

Test Period		31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Re-profiled Class A ICR		Forecast	Forecast	Forecast	Forecast	Forecast
Net Cash Flow	£m	590.7	624.8	643.1	617.9	607.0
Less Depreciation (RCV run off)	£m	(265.4)	(276.6)	(288.2)	(297.0)	(301.4)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(135.6)	(92.2)	(84.0)	(87.6)	(87.8)
Fast/Slow (PAYG) Adjustment	£m	(22.8)	(23.1)	(21.6)	(19.8)	(16.9)
Profiling (Revenue Re-profiling) Adjustment		18.5	(15.8)	(23.0)	3.8	17.2
Re-profiled Adjusted Net Cash Flow divided by	£m	185.5	217.1	226.4	217.2	218.0
Senior Debt Interest	£m	147.3	164.3	169.7	161.5	164.7
Re-profiled Senior Adjusted ICR	times	1.26	1.32	1.33	1.34	1.32
Year 1 Re-profiled Class A Average Adjusted ICR	times	1.39	1.45	1.45	1.45	1.45
Year 2 Re-profiled Class A Average Adjusted ICR	times	1.45	1.45	1.46	1.46	1.46
Year 3 Re-profiled Class A Average Adjusted ICR	times	1.45	1.46	1.44	1.44	1.44
Reprofiled Class A Average Adjusted ICR	times	1.43	1.45	1.45	1.45	1.45
Year 1 Re-profiled Senior Average Adjusted ICR	times	1.26	1.32	1.33	1.33	1.33
Year 2 Re-profiled Senior Average Adjusted ICR	times	1.32	1.33	1.34	1.34	1.34
Year 3 Re-profiled Senior Average Adjusted ICR	times	1.33	1.34	1.32	1.32	1.32
Reprofiled Senior Average Adjusted ICR	times	1.30	1.33	1.33	1.33	1.33

Test Period		30/09/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Gearing		Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Class A debt	£m	5,091.4	5,088.2	5,150.4	5,274.3	5,334.2	5,575.2
Less Cash balances	£m	(162.1)	(136.9)	0.0	0.0	0.0	0.0
Class A Net Debt	£m	4,929.2	4,951.2	5,150.4	5,274.3	5,334.2	5,575.2
Class B debt	£m	549.5	550.7	507.4	511.7	516.1	520.6
Senior Net Debt	£m	5,478.8	5,501.9	5,657.8	5,786.0	5,850.3	6,095.8
Regulatory Capital Vehicle Value (RCV)	£m	6,898.3	7,004.3	7,346.2	7,625.5	7,804.9	7,847.8
Class A RAR	%	71.5%	70.7%	70.1%	69.2%	68.3%	71.0%
Senior RAR	%	79.4%	78.6%	77.0%	75.9%	75.0%	77.7%

5. The Common Terms Agreement requires that Compliance Certificates are completed for the whole YW Financing Group and therefore certain adjustments need 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	31/09/2020 Actual
YW net debt at 30 September 2020	Note 6 to YW's interims	£m 4,458.2
Net amounts owed from group companies	Note 6 to YW's interims	953.5
Fair value adjustment to amounts owed to subsidiary companies	Note 6 to YW's interims	(142.9)
Unamortised issue costs	Note 6 to YW's interims	15.7
Intercompany loans to / (from) other members of the YW Financing Group that reverse on consolidation	Note 6 to YW's interims	(18.6)
RPI-bullet accrued	Note 8 to YW's interims	212.9
Senior Net Indebtedness		5,478.8
of which Class A Net Indebtedness		4,929.3

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

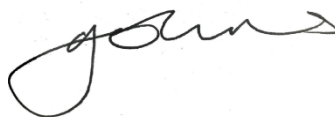
- (ii) the provisions of the Finance Leases;
- (c) the aggregate amount of all accretions by indexation to the original notional amounts of any Super-Senior RPI Linked Hedging Agreements is 3.09% of RCV as at 30 September 2020; and
- (d) no Event of Default or event which would be (with the expiry of 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 Service Limited**




Liz Barber
Chief Executive Officer

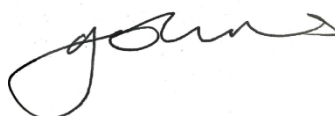


Chris Johns
Chief Financial Officer

**For and on behalf of
Yorkshire Water Services Finance Limited**




Liz Barber
Director



Chris Johns
Director

**For and on behalf of
Yorkshire Water Finance Plc**



Liz Barber
Director



Chris Johns
Director