

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")

28 July 2021

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 31 March 2021.

Date	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
	Actual	Forecast	Forecast	Forecast	Forecast
Class A RAR	69.8%	69.5%	70.4%	70.9%	71.3%
Senior RAR	77.7%	76.3%	77.0%	77.4%	77.8%

Test Period	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
	Actual	Forecast	Forecast	Forecast	Forecast
Class A ICR	4.60x	4.04x	4.08x	4.33x	4.38x
Class A Adjusted ICR	4.60x	4.04x	4.08x	4.33x	4.38x
Senior Adjusted ICR	4.17x	3.68x	3.74x	3.96x	4.01x
Class A Average Adjusted ICR	4.24x	4.15x	4.26x	4.26x	4.26x
Senior Average Adjusted ICR	3.86x	3.79x	3.90x	3.90x	3.90x
Conformed Class A Adjusted ICR	1.54x	1.50x	1.61x	1.72x	1.77x
Conformed Senior Adjusted ICR	1.39x	1.37x	1.48x	1.57x	1.62x
Conformed Class A Average Adjusted ICR	1.55x	1.61x	1.70x	1.70x	1.70x
Conformed Senior Average Adjusted ICR	1.41x	1.47x	1.56x	1.56x	1.56x
Re-profiled Class A ICR	4.90x	4.11x	3.96x	4.24x	4.22x
Re-profiled Class A Adjusted ICR	1.83x	1.57x	1.50x	1.63x	1.61x
Re-profiled Senior Adjusted ICR	1.66x	1.42x	1.37x	1.49x	1.47x
Re-profiled Class A Average Adjusted ICR	1.63x	1.56x	1.58x	1.58x	1.58x
Re-profiled Senior Average Adjusted ICR	1.49x	1.43x	1.45x	1.45x	1.45x

(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		Actual	Forecast	Forecast	Forecast	Forecast
Net Cash Flow divided by	£m	609.4	598.2	630.7	655.8	673.0
Class A Debt Interest	£m	132.4	148.0	154.8	151.5	153.5
Class A ICR	times	4.60	4.04	4.08	4.33	4.38
Net Cash Flow	£m	609.4	598.2	630.7	655.8	673.0
Less CCD and IRC	£m	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	609.4	598.2	630.7	655.8	673.0
Class A Debt Interest	£m	132.4	148.0	154.8	151.5	153.5
Class A Adjusted ICR	times	4.60	4.04	4.08	4.33	4.38
Net Cash Flow	£m	609.4	598.2	630.7	655.8	673.0
Less CCD and IRC	£m	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	609.4	598.2	630.7	655.8	673.0
Senior Debt Interest	£m	146.2	162.6	168.8	165.6	167.7
Senior Adjusted ICR	times	4.17	3.68	3.74	3.96	4.01
Year 1 Class A Average Adjusted ICR	times	4.60	4.04	4.08	4.08	4.08
Year 2 Class A Average Adjusted ICR	times	4.04	4.08	4.33	4.33	4.33
Year 3 Class A Average Adjusted ICR	times	4.08	4.33	4.38	4.38	4.38
Class A Average Adjusted ICR	times	4.24	4.15	4.26	4.26	4.26
Year 1 Senior Average Adjusted ICR	times	4.17	3.68	3.74	3.74	3.74
Year 2 Senior Average Adjusted ICR	times	3.68	3.74	3.96	3.96	3.96
Year 3 Senior Average Adjusted ICR	times	3.74	3.96	4.01	4.01	4.01
Senior Average Adjusted ICR	times	3.86	3.79	3.90	3.90	3.90

Test Period		31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Conformed ICR		Actual	Forecast	Forecast	Forecast	Forecast
Net Cash Flow	£m	609.4	598.2	630.7	655.8	673.0
Less RCV run off (Depreciation)	£m	(265.6)	(280.1)	(293.3)	(303.4)	(308.8)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(140.0)	(96.0)	(88.0)	(91.9)	(91.9)
Fast/Slow Adjustment	£m	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	203.7	222.1	249.5	260.5	272.3
Class A Debt Interest	£m	132.4	148.0	154.8	151.5	153.5
Conformed Class A Adjusted ICR	times	1.54	1.50	1.61	1.72	1.77
Net Cash Flow	£m	609.4	598.2	630.7	655.8	673.0
Less RCV run off (Depreciation)	£m	(265.6)	(280.1)	(293.3)	(303.4)	(308.8)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(140.0)	(96.0)	(88.0)	(91.9)	(91.9)
Fast/Slow Adjustment	£m	0.0	0.0	0.0	0.0	0.0
Adjusted Cash Flow divided by	£m	203.7	222.1	249.5	260.5	272.3
Senior Debt Interest	£m	146.2	162.6	168.8	165.6	167.7
Conformed Senior Adjusted ICR	times	1.39	1.37	1.48	1.57	1.62
Year 1 Conformed Class A Average Adjusted ICR	times	1.54	1.50	1.61	1.61	1.61
Year 2 Conformed Class A Average Adjusted ICR	times	1.50	1.61	1.72	1.72	1.72
Year 3 Conformed Class A Average Adjusted ICR	times	1.61	1.72	1.77	1.77	1.77
Conformed Class A Average Adjusted ICR	times	1.55	1.61	1.70	1.70	1.70

Test Period		31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Conformed ICR		Actual	Forecast	Forecast	Forecast	Forecast
Year 1 Conformed Senior Average Adjusted ICR	times	1.39	1.37	1.48	1.48	1.48
Year 2 Conformed Senior Average Adjusted ICR	times	1.37	1.48	1.57	1.57	1.57
Year 3 Conformed Senior Average Adjusted ICR	times	1.48	1.57	1.62	1.62	1.62
Conformed Senior Average Adjusted ICR	times	1.41	1.47	1.56	1.56	1.56

Test Period		31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Re-profiled Class A ICR		Actual	Forecast	Forecast	Forecast	Forecast
Net Cash Flow	£m	609.4	598.2	630.7	655.8	673.0
Profiling (Revenue Re-profiling) Adjustment	£m	38.8	9.5	(17.5)	(13.7)	(25.0)
Re-profiled Net Cash Flow	£m	648.2	607.7	613.2	642.1	648.1
Class A Debt Interest	£m	132.4	148.0	154.8	151.5	153.5
Re-profiled Class A ICR	times	4.90	4.11	3.96	4.24	4.22
Net Cash Flow	£m	609.4	598.2	630.7	655.8	673.0
Less Depreciation (RCV run off)	£m	(265.6)	(280.1)	(293.3)	(303.4)	(308.8)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation	£m	(140.0)	(96.0)	(88.0)	(91.9)	(91.9)
Fast/Slow (PAYG) Adjustment	£m	0.0	0.0	0.0	0.0	0.0
Profiling (Revenue Re-profiling) Adjustment		38.8	9.5	(17.5)	(13.7)	(25.0)
Re-profiled Adjusted Net Cash Flow divided by	£m	242.6	231.6	231.9	246.8	247.4
Class A Debt Interest	£m	132.4	148.0	154.8	151.5	153.5
Re-profiled Class A Adjusted ICR	times	1.83	1.57	1.50	1.63	1.61

Test Period		31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Re-profiled Class A ICR		Actual	Forecast	Forecast	Forecast	Forecast
Net Cash Flow	£m	609.4	598.2	630.7	655.8	673.0
Less Depreciation (RCV run off)	£m	(265.6)	(280.1)	(293.3)	(303.4)	(308.8)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation Fast/Slow (PAYG) Adjustment	£m	(140.0)	(96.0)	(88.0)	(91.9)	(91.9)
Profiling (Revenue Re-profiling) Adjustment	£m	0.0	0.0	0.0	0.0	0.0
Re-profiled Adjusted Net Cash Flow divided by Senior Debt Interest	£m	38.8	9.5	(17.5)	(13.7)	(25.0)
Re-profiled Senior Adjusted ICR	times	1.66	1.42	1.37	1.49	1.47
Year 1 Re-profiled Class A Average Adjusted ICR	times	1.83	1.57	1.50	1.50	1.50
Year 2 Re-profiled Class A Average Adjusted ICR	times	1.57	1.50	1.63	1.63	1.63
Year 3 Re-profiled Class A Average Adjusted ICR	times	1.50	1.63	1.61	1.61	1.61
Reprofiled Class A Average Adjusted ICR	times	1.63	1.56	1.58	1.58	1.58
Year 1 Re-profiled Senior Average Adjusted ICR	times	1.66	1.42	1.37	1.37	1.37
Year 2 Re-profiled Senior Average Adjusted ICR	times	1.42	1.37	1.49	1.49	1.49
Year 3 Re-profiled Senior Average Adjusted ICR	times	1.37	1.49	1.47	1.47	1.47
Reprofiled Senior Average Adjusted ICR	times	1.49	1.43	1.45	1.45	1.45

Test Period		31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Gearing		Actual	Forecast	Forecast	Forecast	Forecast
Class A debt	£m	5,091.2	5,254.9	5,536.8	5,703.8	5,751.2
Less Cash balances	£m	(187.1)	(75.0)	(65.3)	(48.5)	(22.7)
Class A Net Debt	£m	4,904.1	5,179.9	5,471.5	5,655.2	5,728.5
Class B debt	£m	550.8	509.2	513.5	517.8	522.2
Senior Net Debt	£m	5,454.9	5,689.2	5,985.0	6,173.0	6,250.8
Regulatory Capital Vehicle Value (RCV)	£m	7,024.3	7,457.0	7,769.3	7,974.5	8,036.7
Class A RAR	%	69.8%	69.5%	70.4%	70.9%	71.3%
Senior RAR	%	77.7%	76.3%	77.0%	77.4%	77.8%

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 YWS when calculating the current period ratios as reported in the above tables. The table below detail these adjustments.

Net debt	Reference	31/03/2021 Actual
YWS net debt at 31 March 2021	Note 17 to YWS's ARFS	£m 4,366.3
Net amounts owed from group companies	Note 17 to YWS's ARFS	949.4
Fair value adjustment to amounts owed to subsidiary companies	Note 17 to YWS's ARFS	(89.5)
Unamortised issue costs	Note 17 to YWS's ARFS	15.5
Intercompany loans to / (from) other members of the YWFG that reverse on consolidation	Note 17 to YWS's ARFS	(16.3)
RPI-bullet accrued	Note 18 to YWS's ARFS	229.5
Senior Net Indebtedness		5,454.9
of which Class A Net Indebtedness		4,904.1

Adjusted Cash Flow	Reference	31/03/2021 Actual
		£m
YWS EBITDA excluding exceptional items	YWS's ARFS Strategic Report	592.9
Exclude profit on sale of assets	Table ID Line 8 YWS's APR	(3.0)
Tax paid	Note 9 to YWS's ARFS	0.0
Recoverable VAT included in changes in working capital		(13.7)
Changes in working capital	Table ID Line 5 YWS's APR	33.2
Net Cash Flow		609.4
Less Depreciation (RCV run off)	CMA model (inflated to outturn)	(265.6)
Less IRE not already deducted in the calculation of Net Cash Flow or Depreciation		
• FD Allowance	CMA model (inflated to outturn)	(140.0)
• IRE already deducted	Note 26 to YWS's ARFS	0.0
		(140.0)
Fast/Slow (PAYG) Adjustment	CMA model (inflated to outturn)	0.0
Profiling (Revenue Re-profiling) Adjustment	CMA model (inflated to outturn)	38.8
Adjusted Cash Flow		242.6

Interest	Reference	31/03/2021 Actual
		£m
Net interest paid	Table ID Line 10 YWS's APR	92.2
Interest received on subordinated intercompany loans	Note 7 to YWS's ARFS	45.3
Interest payable on intercompany loans to fund interest payments on exchange bonds issued by subsidiary companies	Note 8 to YWS's ARFS	6.0
Net fees received after costs paid in respect to changes to index linked swaps	Note 8 to YWS's ARFS	2.7
Senior Debt Interest		146.2
<i>of which Class A Debt Interest</i>		<i>132.4</i>

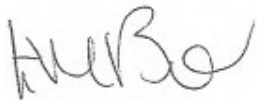
We also confirm that:

- (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;

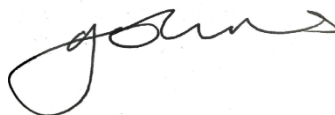
- (c) the aggregate amount of all accretions by indexation to the original notional amounts of any Super-Senior RPI Linked Hedging Agreements is 3.27% of RCV as at 31 March 2021; and
- (d) no Event of Default or event which would be (with the expiry of a grace period, the giving of notice or the making 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**

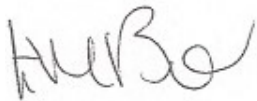


Liz Barber
Chief Executive Officer

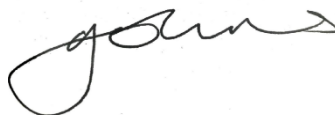


Chris Johns
Chief Financial Officer

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

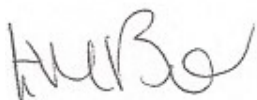


Liz Barber
Director

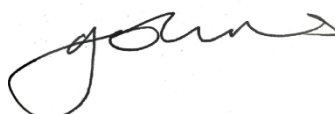


Chris Johns
Director

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



Liz Barber
Director



Chris Johns
Director