

## NOTICE OF MEETING

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT IMMEDIATELY YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (IF YOU ARE IN THE UNITED KINGDOM) OR ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT PROFESSIONAL ADVISER.

## NOTICE OF MEETING

To each of the holders of the Bonds (the “Bondholders”)  
with respect to the

**Sub-Class A1 £350,000,000 6.192 per cent. Wrapped Bonds due 2029 (XS017298252)**

(guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited)

**Sub-Class A2a £150,000,000 Index-Linked Wrapped Bonds due 2034 (XS0173036194)**

(guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited)

**Sub-Class A2b £35,000,000 Limited Indexed Wrapped Bonds due 2034 (XS0173059998)**

(guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited)

**Sub-Class A4 £350,000,000 6.640 per cent. Unwrapped Bonds due 2026 (XS0172992637)**

(guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited)

**Sub-Class A5 £150,000,000 Index-Linked Unwrapped Bonds due 2023 (XS0173041517)**

(guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited)

**Sub-Class A8 £150,000,000 5.00 per cent. Wrapped Bonds due 31 March 2041 (XS0220566383)**

(guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited)

**£200,000,000 Sub-Class A9 4.50 per cent. Wrapped Bonds due March 2052 (XS0271386244)**

(guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited)

**£300,000,000 Sub-Class A10 5.125 per cent. Wrapped Bonds due September 2056 (XS0308998144)**

(guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited)

(the “Bonds”)

of

**Southern Water Services (Finance) Limited (the “Issuer”)**

*(incorporated with limited liability in the Cayman Islands with registered number 112331)*

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 4 to the relevant Bond Trust Deed (as defined below) constituting the Bonds and made between, among others, the Issuer and Deutsche Trustee Company Limited as trustee for the Bondholders (the “Bond Trustee”), a meeting (the “Meeting”) of the Bondholders convened by Southern Water Services (Finance) Limited (the “Issuer”) will be held via teleconference on 23 November 2021 at 11.00 a.m. (London time) for the purpose of considering the proposals set out in the Solicitation Memorandum and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the relevant Bond Trust Deed. Unless the context otherwise requires, capitalised terms used in this notice shall bear the meanings given to them in the relevant Bond Trust Deed or, as applicable, the Solicitation Memorandum prepared by the Issuer and dated 26 October 2021 (the “Solicitation Memorandum”).

## EXTRAORDINARY RESOLUTION

“THAT THIS MEETING (the “**Meeting**”) of the holders (the “**Bondholders**”) of the following series of Class A Bonds:

- (i) Sub-Class A1 £350,000,000 6.192 per cent. Wrapped Bonds due 2029 issued on 23 July 2003 (the “**Sub-Class A1 Bonds**”);
- (ii) Sub-Class A2a £150,000,000 Index-Linked Wrapped Bonds due 2034 issued on 23 July 2003 (the “**Sub-Class A2a Bonds**”);
- (iii) Sub-Class A2b £35,000,000 Limited Indexed Wrapped Bonds due 2034 issued on 23 July 2003 (the “**Sub-Class A2b Bonds**”);
- (iv) Sub-Class A4 £350,000,000 6.640 per cent. Unwrapped Bonds due 2026 issued on 23 July 2003 (the “**Sub-Class A4 Bonds**”);
- (v) Sub-Class A5 £150,000,000 Index-Linked Unwrapped Bonds due 2023 issued on 23 July 2003 (the “**Sub-Class A5 Bonds**”);
- (vi) Sub-Class A8 £150,000,000 5.00 per cent. Wrapped Bonds due 31 March 2041 issued on 27 May 2005 (the “**Sub-Class A8 Bonds**”);
- (vii) £200,000,000 Sub-Class A9 4.50 per cent. Wrapped Bonds due March 2052 issued on 18 October 2006 (the “**Sub-Class A9 Bonds**”); and
- (viii) £300,000,000 Sub-Class A10 5.125 per cent. Wrapped Bonds due September 2056 issued on 17 July 2007 (the “**Sub-Class A10 Bonds**”),

each guaranteed by Southern Water Services Limited, SWS Holdings Limited and SWS Group Holdings Limited (each a “**Guarantor**” and together, the “**Guarantors**”), (together, the “**Bonds**”) issued by Southern Water Services (Finance) Limited (the “**Issuer**”) and constituted by:

- (a) in the case of the Sub-Class A1 Bonds, the Sub-Class A2a Bonds, the Sub-Class A2b Bonds, the Sub-Class A4 Bonds and the Sub-Class A5 bonds, a trust deed originally dated 23 July 2003;
- (b) in the case of the Sub-Class A7 Bonds and the Sub-Class A8 Bonds, a trust deed dated 23 July 2003 as amended by a Deed of Amendment dated 20 May 2005; and
- (c) in the case of the Sub-Class A9 Bonds and the Sub-Class A10 Bonds, a trust deed dated 23 July 2003 as amended by a Deed of Amendment dated 20 May 2005, and as further amended by a Second Deed of Amendment dated 13 October 2006,

(each a “**Bond Trust Deed**”), in each case, between, amongst others, the Issuer and Deutsche Trustee Company Limited (the “**Bond Trustee**”), by Extraordinary Resolution (as defined in the relevant Bond Trust Deed) HEREBY:

- (1) sanctions and approves the STID Proposal to which this Extraordinary Resolution relates, which is defined and described in the Solicitation Memorandum (as defined below);
- (2) assents to and authorises, directs, requests and empowers the Bond Trustee to (i) vote in favour of the STID Proposal and (ii) take all other actions including executing any other documents necessary, desirable or expedient in connection with the STID Proposal from SWS dated 26 October 2021 and the amendments and consents proposed in such STID Proposal;
- (3) authorises, ratifies, sanctions, directs, requests, instructs and empowers the Bond Trustee to concur with and (where applicable) execute, authorise and/or direct the Security Trustee to execute (i) the amendment documentation in respect of the CTA, MDA, STID, the SW Tax Deed of Covenant, the CP

Agreement, the relevant Bond Trust Deed, the relevant Agency Agreement, the Security Documents and the Account Bank Agreement set out in the forms, electronic copies of which have been signed by the chairman of this Meeting for the purposes of identification (the “**Amendment Agreements**”), and any consequential modifications (if any) thereto as the Bond Trustee considers necessary in its absolute discretion to give effect to this Extraordinary Resolution and (ii) any other amendments to the Finance Documents in order to give effect to and to implement the STID Proposal;

- (4) sanctions and approves the Substitution Proposal to which this Extraordinary Resolution relates, which is defined and described in the Solicitation Memorandum (as defined below);
- (5) assents to and authorises, directs, requests and empowers the Bond Trustee to (i) vote in favour of the Substitution Proposal and (ii) take all other actions including executing any other documents necessary, desirable or expedient in connection with the Substitution Proposal;
- (6) authorises, ratifies, sanctions, directs, requests, instructs and empowers the Bond Trustee to concur with and (where applicable) execute, authorise and/or direct the Security Trustee to execute (i) the Supplemental Trust Deed and Supplemental Agency Agreement, each signed by the chairman of this Meeting for the purpose of identification and any consequential modifications (if any) thereto as the Bond Trustee considers necessary in its absolute discretion to give effect to this Extraordinary Resolution and (ii) any other documents necessary, desirable or expedient in connection with the Substitution Proposal in order to give effect to and to implement the Substitution Proposal;
- (7) waives any claim Bondholders may have against the Bond Trustee or Security Trustee as a result of any liability they may suffer or incur as a result of acting upon this Extraordinary Resolution (including but not limited to circumstances where it is subsequently found that this Extraordinary Resolution is not valid or binding);
- (8) holds harmless, discharges and exonerates and indemnifies the Bond Trustee and the Security Trustee from and against all liability for which it may have become or may become liable as a result of acting in accordance with this Extraordinary Resolution under the Bonds, the Finance Documents or otherwise in respect of any act or omission, including, without limitation, in connection with this Extraordinary Resolution or its implementation, such modifications or the implementation of those modifications;
- (9) sanctions and assents to every abrogation, amendment, modification, compromise or arrangement in respect of the rights of the Bondholders against the Issuer or the Guarantors or against any of their property whether such rights shall arise under the Bonds, the Finance Documents or otherwise involved in or resulting from the STID Proposal, the Substitution Proposal, this Extraordinary Resolution or their implementation and/or the amendments and modifications to the Bonds, the Finance Documents or otherwise or their implementation; and
- (10) approves that the Bond Trustee be and is hereby authorised and instructed not to obtain any legal opinions in relation to, or to enquire into the power and capacity of any person to enter into the (i) Amendment Agreements or any other amendments to the Finance Documents or the due execution and delivery thereof by any party thereto or the validity and enforceability thereof, or (ii) Supplemental Trust Deed, Supplemental Agency Agreement or any other documents necessary, desirable or expedient in connection with the Substitution Proposal or the due execution and delivery thereof by any party thereto or the validity and enforceability thereof.

The effectiveness of this Extraordinary Resolution is subject to the satisfaction of the Amendment Conditions as set out in the Solicitation Memorandum.

Unless the context otherwise requires, capitalised terms used in this Extraordinary Resolution shall bear the meanings given to them in the relevant Bond Trust Deed or, as applicable, the Solicitation Memorandum prepared by the Issuer and dated 26 October 2021 (the “**Solicitation Memorandum**”).

#### **Documents Available for Inspection**

Bondholders may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) prior to the Meeting, obtain electronic copies of the documents set out below upon request from the Tabulation Agent at their telephone number or e-mail address set out below.

Documents available:

- the Bond Trust Deed dated 23 July 2003, together with all amendments, restatements and supplements thereto;
- the Agency Agreement dated 23 July 2003, together with all amendments, restatements and supplements thereto;
- the CTA dated 23 July 2003, as most recently amended and restated on 25 October 2018;
- the MDA dated 23 July 2003, as most recently amended and restated on 25 October 2018;
- the STID dated 23 July 2003, as most recently amended and restated on 25 October 2018;
- the SW Tax Deed of Covenant dated 23 July 2003;
- the CP Agreement dated 23 July 2003;
- the Account Bank Agreement dated 24 January 2019;
- the Security Agreement dated 23 July 2003;
- draft of the supplemental security agreement in respect of the shares pledge granted by the New UK Issuer pursuant to the Security Agreement;
- drafts of the Amendment Agreements;
- drafts of the Supplemental Trust Deed and the Supplemental Agency Agreement;
- the STID Proposal dated 26 October 2021; and
- the Solicitation Memorandum dated 26 October 2021.

#### **General**

The attention of Bondholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in “*Voting and Quorum*” below. Having regard to such requirements, Bondholders are strongly urged either to attend (via teleconference) the Meeting or to take steps to be represented at the Meeting, as referred to below, as soon as possible.

NatWest Markets Plc (the “**Sole Solicitation Agent**”) does not express any view as to the merits of the Proposals or the Extraordinary Resolution. The Sole Solicitation Agent has not been involved in negotiating the Proposals or the Extraordinary Resolution and makes no representation that all relevant information has been disclosed to the Bondholders in or pursuant to the Notice of Meeting. Accordingly, the Sole Solicitation Agent recommends that Bondholders who are unsure of the impact of the Proposals and the Extraordinary Resolution should seek their own independent financial, legal and tax advice, as appropriate.

The Issuer will bear certain legal, accounting and other professional fees and expenses associated with the Proposals, as more particularly agreed with the Sole Solicitation Agent.

**In accordance with normal practice, the Bond Trustee has not been involved in the formulation of the Proposals outlined in the Solicitation Memorandum and the Bond Trustee expresses no opinion on the merits of the Proposals or the Extraordinary Resolution but has authorised it to be stated that it has no objection to the Extraordinary Resolution being submitted to Bondholders for their consideration. The Bond Trustee recommends that Bondholders who are unsure of the impact of the Proposals and the Extraordinary Resolution should take their own independent financial, legal and tax advice on the merits and on the consequences of voting in favour of or against the Extraordinary Resolution. The Bond Trustee is not responsible for the accuracy, completeness, validity or correctness of the statements made in the Solicitation Memorandum or omissions therefrom.**

**Accordingly, Bondholders who are unsure of the impact of the Proposals and the Extraordinary Resolution should seek their own independent financial, legal and tax advice.**

#### **Voting and Quorum**

The relevant provisions governing the convening and holding of the Meeting are set out in Schedule 4 to the Bond Trust Deed, copies of which are available for inspection as referred to above.

Each person (a “**Beneficial Owner**”) who is the owner of a particular principal amount of the Bonds as shown in the records of Euroclear or Clearstream, Luxembourg or in the records of any Direct Participant should note that they are not the legal or registered holders of the Bonds for the purposes of this Notice of Meeting and will only be entitled to attend (via teleconference) and vote at the Meeting or to appoint a proxy or representative to do so in accordance with the procedures set out below. For the purposes of this Notices of Meeting, a “**Direct Participant**” means each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of the Bonds.

Any Direct Participant (directly or on behalf of Beneficial Owners) who has submitted Electronic Voting Instructions, as applicable, to the Clearing Systems no later than 4.00 p.m. (London time) on 18 November 2021 in accordance with the procedures set out in the Solicitation Memorandum need not take any further action in relation to voting at the Meeting in respect of the Extraordinary Resolution. By submitting or delivering a duly completed Electronic Voting Instruction to the relevant Clearing Systems, the relevant Direct Participant instructs the Principal Paying Agent to appoint the Tabulation Agent as proxy to attend (via teleconference) and vote at the Meeting in favour of or against the Extraordinary Resolution.

- (1) The following paragraphs (1) and (2) apply only to Direct Participants or Beneficial Owners who have not submitted or delivered or arranged for the submission or delivery of Electronic Voting Instructions to the relevant Clearing System in accordance with the terms of the Solicitation Memorandum. A Direct Participant or Beneficial Owner wishing to attend (via teleconference) and vote at the Meeting in person must produce at the Meeting either definitive Bonds or voting certificates in relation to the Bond in respect of which he wishes to vote. Direct Participants or Beneficial Owners wishing to attend (via teleconference) the Meeting must provide the Tabulation Agent with a valid voting certificate or certificates issued by the Principal Paying Agent relating to the Bonds in respect of which it wishes to vote. Direct Participants or Beneficial Owners wishing to attend the teleconference may obtain dial-in details from the Tabulation Agent using the notice details set out in the Solicitation Memorandum, upon the Tabulation Agent being satisfied that any Direct Participant or Beneficial Owner requesting the same has provided evidence of their holdings of the relevant Bonds. Those Beneficial Owners who, and Direct Participants of Beneficial Owners who, hold their interests in the Bonds through the clearing systems and who wish to attend (via teleconference) and vote at the Meeting should contact the relevant Clearing System (through the relevant Direct Participant, if applicable) to make arrangements to be appointed as proxy in respect of the Bonds in which they have an interest for the purpose of attending (via teleconference) and voting at the Meeting in person. Such Beneficial Owners or Direct Participants must have made arrangements to vote with the relevant clearing system (through the relevant Direct Participant, if applicable) in time for the relevant clearing

system to arrange for them to be appointed as a proxy no later than 4.00 p.m. (London time) on 18 November 2021. A Direct Participant or Beneficial Owner not wishing to attend (via teleconference) and vote at the Meeting in person may either deliver his Bond(s) or a document (in the case of a Direct Participant which is a corporation) appointing such person as representative of any such holder or Beneficial Owner to the person whom he wishes to attend (via teleconference) on his behalf instructing the Principal Paying Agent to appoint a proxy to attend (via teleconference) and vote at the Meeting in accordance with his instructions. Those Beneficial Owners who, and Direct Participants of Beneficial Owners who, hold their interests in the Bonds through a clearing system and who wish to vote at but who do not wish to attend (via teleconference) the Meeting should contact the relevant clearing system (through the relevant Direct Participant, if applicable) to arrange for another person nominated by them to be appointed as a proxy in respect of such Bonds in which they have an interest to attend (via teleconference) and vote at the Meeting on their behalf or to make arrangements for the votes relating to such Bonds in which they have an interest to be cast on their behalf by or on behalf of the Principal Paying Agent acting as a proxy. Such Beneficial Owners or Direct Participants must have made arrangements to vote with the relevant clearing system (through the relevant Direct Participant, if applicable) in time for the relevant clearing system to arrange for the Beneficial Owner's nominee, or a representative of the Principal Paying Agent, to be appointed as a proxy not later than 4.00 p.m. (London time) on 18 November 2021.

- (2) Bonds may be deposited with any Principal Paying Agent or held (to such Principal Paying Agent's satisfaction) to the order of such Principal Paying Agent or under such Principal Paying Agent's control or blocked in an account with a clearing system for the purpose of obtaining voting certificates or appointing proxies, not later than 4.00 p.m. (London time) on 18 November 2021 (or, if applicable, 48 hours before the time appointed for holding any adjournment of a Meeting) or appointing representatives in respect of the Meeting. Bonds so deposited or held will not be released until the earlier of the conclusion of the Meeting (or, if applicable, any adjournment of such Meeting) or the surrender of the receipt issued by the Principal Paying Agent in respect of such deposited Bonds in accordance with the Bondholder Meeting Provisions or such Bonds ceasing to be held to the Principal Paying Agent's order or under its control in connection with any amendment to the block voting instruction in accordance with the Bondholder Meeting Provisions.
- (3) The Extraordinary Resolution may only be considered at the Meeting if the Meeting is quorate. The Meeting will be quorate if at least one or more persons is or are present at the Meeting holding Bonds or voting certificates or being proxies or representatives who hold(s) or represent(s) the requisite nominal amount of outstanding Bonds for the quorum requirement (as set out below across from "Original Meeting"). If the Meeting is not quorate, it will be adjourned to a later time and date. When the Meeting resumes following adjournment, the Bond Trust Deed makes provision for a lower quorum requirement (as set out below across from "Adjourned Meeting").
- (4) If, within 15 minutes (or such longer period not exceeding 30 minutes as the chairman may decide) of the time fixed for the Meeting, a quorum is not present, the Meeting shall be adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the chairman of the Meeting either at or subsequent to such Meeting and approved by the Bond Trustee.
- (5) The quorum requirement is as follows:

***Meeting***

Original Meeting

***Quorum Requirement***

One or more persons present holding Definitive Bonds or voting certificates or being proxies or representatives and holding or representing not less than three-quarters of the

nominal amount of the Bonds for the time being outstanding.

Adjourned Meeting

One or more persons present holding Definitive Bonds or voting certificates or being proxies or representatives and holding or representing not less than one-quarter of the nominal amount of the Bonds for the time being outstanding.

Every question submitted to the Meeting shall, if so required by the chairman, be decided in the first instance by a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Issuer, the Guarantors, the Bond Trustee or by any person present holding Bonds or voting certificates or being proxies or representatives. On a show of hands, every person who is present in person and who is holding Bonds or voting certificates or is a proxy or representative shall have one vote.

On a poll, every person who is so present shall have one vote in respect of each £1 in nominal amount of the definitive bonds so produced or represented by the voting certificate so produced or in respect of which he is proxy or representative.

In case of equality of votes, the chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Bondholder or as a holder of a voting certificate or as a proxy or representative.

Votes in favour of the Extraordinary Resolution must represent a majority of the votes cast, consisting of not less than three-quarters of the persons thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-quarters of the votes cast on such poll, for the Extraordinary Resolution to be duly passed.

- (1) If passed, the Extraordinary Resolution will be binding upon all Bondholders, whether or not they were present or represented at the Meeting and whether or not they voted at the Meeting. Furthermore, Bondholders should note that the implementation of the Extraordinary Resolution (if passed at the Meeting) is conditional upon the STID Proposal being approved and implemented.
- (2) This notice, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, English law.
- (3) Notice of the result of the Meeting will be given to Bondholders in accordance with the provisions of the Bond Trust Deed.
- (4) Bondholders whose Bonds are held by Clearstream, Luxembourg or Euroclear should contact the Tabulation Agent for more information.
- (5) The Sole Solicitation Agent for the Proposals is:

**NatWest Markets Plc**  
250 Bishopsgate  
London EC2M 4AA  
United Kingdom

- (6) The Tabulation Agent with respect to the Proposals is:

**Lucid Issuer Services Limited**  
The Shard  
32 London Bridge Street  
London SE1 9SG  
United Kingdom

E-mail: southernwater@lucid-is.com

Tel: +44 207 704 0880

(7) The Principal Paying Agent with respect to the Bonds is:

**Deutsche Bank AG, London Branch**

Winchester House

1 Great Winchester Street

London EC2N 2DB

United Kingdom

This notice is given by:

SOUTHERN WATER SERVICES (FINANCE) LIMITED

26 October 2021