

NOTICE IN REGARD TO STID PROPOSAL
(THE "NOTICE")

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE BENEFICIAL OWNERS OF THE BONDS (AS DEFINED BELOW).

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (if you are in the United Kingdom), or from another appropriately authorised independent financial adviser and such other professional advice from your own professional advisors as you deem necessary.

FURTHER INFORMATION REGARDING THE MATTERS REFERRED TO IN THIS NOTICE IS AVAILABLE IN THE STID PROPOSAL (THE "STID PROPOSAL") ISSUED ON OR ABOUT THE DATE OF THIS NOTICE AND THIS NOTICE SHOULD BE READ IN CONJUNCTION WITH THE STID PROPOSAL

7 September 2023

BAZALGETTE FINANCE PLC (the "Issuer")
registered number 9698014, a company incorporated in England with limited liability
SECURITY TRUST AND INTERCREDITOR DEED – STID PROPOSAL

Notice in respect of the Issuer's

£25,000,000 1.035% Index-Linked Bonds due 15/06/48 (ISIN: XS1430587433) (Series 1 Bonds)
£25,000,000 1.042% Index-Linked Bonds due 15/06/48 (ISIN: XS1430584091) (Series 2 Bonds)
£25,000,000 0.951% Index-Linked Bonds due 15/06/54 (ISIN: XS1430590221) (Series 3 Bonds)
£25,000,000 0.954% Index-Linked Bonds due 15/06/54 (ISIN: XS1430589728) (Series 4 Bonds)
£100,000,000 0.688% Index-Linked Bonds due 27/06/50 (ISIN: XS1436288846) (Series 5 Bonds)
£100,000,000 0.755% Index-Linked Bonds due 27/06/51 (ISIN: XS1436289141) (Series 6 Bonds)
£50,000,000 0.787% Index-Linked Bonds due 27/06/52 (ISIN: XS1436289497) (Series 7 Bonds)
£100,000,000 0.249% Index-Linked Bonds due 05/12/40 (ISIN: XS1525510027) (Series 8 Bonds)
£125,000,000 0.192% Index-Linked Bonds due 17/07/49 (ISIN: XS1643813667) (Series 9 Bonds)
£75,000,000 0.828% Index-Linked Bonds due 25/08/47 (ISIN: XS1662621603) (Series 10 Bonds)
£250,000,000 2.375% Green Bonds due 29/11/27 (ISIN: XS1726309286) (Series 11 Bonds)
£200,000,000 0.740% Limited Index-Linked Green Bonds due 30/11/42 (ISIN: XS1726310961) (Series 12 Bonds)
£150,000,000 0.01% Index-Linked Green Bonds due 13/04/2032 (ISIN: XS1802472891) (Series 13 Bonds)
£75,000,000 0.949% CPI-Linked Green Bonds due 16/05/52 (ISIN: XS1819532760) (Series 14 Bonds)
£50,000,000 0.074% RPI-Linked Green Bonds due 16/05/49 (ISIN: XS1821454912) (Series 15 Bonds)
£50,000,000 0.174% RPI-Linked Green Bonds due 16/05/49 (ISIN: XS1821455216) (Series 16 Bonds)
£75,000,000 0.01% Index-linked Green Bonds due 2036 (ISIN: XS2034702824) (Series 17 Bonds)
£300,000,000 2.750% Fixed Rate Green Bonds due 2034 (ISIN: XS2453741279) (Series 18 Bonds)

(each a "Series of Bonds" and together the "Bonds")

1. We refer to the Bonds constituted by the Bond Trust Deed originally dated 10 June 2016, as amended and restated to date (the "**Bond Trust Deed**") between the Issuer and the Bond Trustee. Unless otherwise expressly defined in this notice, terms defined in the security trust and intercreditor deed dated 24 August 2015, as amended to date, between, among others, the Issuer, the Borrower and Holdco Group Agent, Holdco and the Obligor Security Trustee (the "**STID**"), the master definitions agreement dated 24 August 2015, as amended to date (the "**MDA**") and made between, amongst others, the parties to the STID and the Bond Trust Deed have the same meaning when used in this notice.
2. All of the Bonds are represented by Global Bonds held by, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**").
3. On 7 September 2023, pursuant to clause 19 (*STID Proposals*) of the STID, Bazalgette Tunnel Limited as proposer (the "**Proposer**") delivered to the Obligor Security Trustee a STID Proposal (the "**STID Proposal**"), a copy of which is attached hereto as Schedule 1.
4. The STID Proposal does not include any provision for Obligor Secured Creditors or Bondholders to vote on any matter.
5. As set out in the STID Proposal, the Holdco Group Agent has determined that the STID Proposal does not give rise to an Entrenched Right affecting any Obligor Secured Creditor and/or Finco Secured Creditor (the "**Entrenched Right Determination**").
6. The STID Proposal sets out the procedure by which an Obligor Secured Creditor may challenge the Entrenched Right Determination (such Obligor Secured Creditor, an "**Entrenched Right Dissenting Creditor**"). For these purposes, the Issuer is the relevant Obligor Secured Creditor under the IBLA entered into in respect of each Series of Bonds, and the Bond Trustee is its Secured Creditor Representative. Pursuant to the Bond Trust Deed, the Bond Trustee shall, if directed to do so by Bondholders representing not less than 10 per cent. of the Principal Amount Outstanding of a Series of Bonds, instruct the Obligor Security Trustee to deliver an Entrenched Right Dissenting Notice to the Holdco Group Agent with respect to the STID Proposal in accordance with the provisions of the STID.
7. For these purposes, any Bondholder wishing to challenge the Entrenched Right Determination by requesting the Obligor Security Trustee to deliver an Entrenched Right Dissenting Notice may do so by delivering a notice (a "**Dissenting Notice**") by email directly to the Bond Trustee and Obligor Security Trustee using the following details: francoise.riviere@db.com copied to asfs_trustee@list.db.com by no later than 4 pm (London time) on 14 September 2023.
8. Each Dissenting Notice must include:
 - (a) proof of the Bondholder's holding of the relevant Series of Bonds, including the aggregate nominal amount of the relevant Series of Bonds which are held by the Bondholder and the securities account number at the relevant Clearing System in which the relevant Series of Bonds are held (such proof to be provided in the form of a form RF30 or Euclid statement from Euroclear; a Creation Online statement from Clearstream, Luxembourg and/or another form of evidence satisfactory to the Bond Trustee and Obligor Security Trustee, such as a confirmation from their custodian);
 - (b) an indication of the relevant Entrenched Right to which it believes the STID Proposal gives rise;
 - (c) supporting evidence or substantiation for its disagreement with the determination regarding the Entrenched Right; and
 - (d) the name, telephone number and email address of the Bondholder.

By submitting a Dissenting Notice, the relevant Bondholder acknowledges and agrees that the amount of its nominal holding of Bonds, the details of its securities account and (if applicable) the name of the direct participant through which it holds its Bonds will be disclosed to the Principal Paying Agent, the Bond Trustee and the Obligor Security Trustee.

9. Any Bondholder who requires further information in relation to the STID Proposal should contact the Proposer using the contact details below.
10. Copies of the STID, the MDA and the Bond Trust Deed may be inspected during normal business hours at the specified offices of the Issuer at Cottons Centre, Cottons Lane, London SE1 2QG and at the offices of the Principal Paying Agent as described below in the section headed, *"Documents available for inspection"*.

GENERAL INFORMATION

In accordance with normal practice, the Bond Trustee has not been involved in the formulation of the matters outlined in the STID Proposal or this Notice and the Bond Trustee expresses no opinion on any matter set out in the STID Proposal or this Notice. The Bond Trustee is not responsible for the accuracy, completeness, validity or correctness of the statements made in the STID Proposal or this Notice or omissions therefrom and makes no representation that all relevant information has been disclosed to the Bondholders or pursuant to the STID Proposal or this Notice. Each person receiving this Notice acknowledges that such person has not relied on the Bond Trustee or the Principal Paying Agent in relation to the STID Proposal. Bondholders must make their own analysis and investigation regarding the STID Proposal and should take their own independent advice in relation thereto. If such person is in any doubt about any aspect of the STID Proposal and/or the action it should take, it should consult its professional advisers.

The distribution of this Notice may be restricted by law in certain jurisdictions. Persons into whose possession the Notice comes are required to inform themselves about, and to observe, any such restrictions.

This Notice is sent without prejudice to any other rights of any party under or in respect of the Bond Trust Deed or any related document, and all such rights are expressly reserved. No failure or delay by any party in exercising any right, power or remedy under the Bond Trust Deed or any other related document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy prevent any further or other exercise of any other right, power or remedy.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following (together, the "**Bondholder Information**") will be available from the date of the Notice for inspection by Bondholders at the specified office of the Principal Paying Agent:

- (a) this Notice;
- (b) the STID Proposal;
- (c) the Bond Trust Deed;
- (d) the STID;
- (e) the CTA; and
- (f) the MDA.

The Notice should be read in conjunction with the Bondholder Information.

CONTACT INFORMATION

Further information relating to the STID Proposal can be obtained from Bazalgette Tunnel Limited at investor.relations@tideway.london

**Deutsche Bank AG, London
Branch as Principal Paying Agent**

Winchester House
1 Great Winchester Street
London EC2N 2DB

Fax number: +44 (0) 20 7547 5001

Email: abs.mbs.london@list.db.com

Attention: Corporate Trust – Debt &
Agency Services

Deutsche Trustee Company Limited as Bond Trustee

Winchester House
1 Great Winchester Street
London EC2N 2DB

Fax number: +44 (0)20 7547 5919

Attention: Managing Director/Tideway

Email: francoise.riviere@db.com

**Deutsche Trustee Company Limited
as Bond Trustee and Secured Creditor Representative of Finco in respect of the Bondholders**

7 September 2023

SCHEDULE 1
STID PROPOSAL

To: Deutsche Trustee Company Limited
FAO: Francoise Rivière

RE: Bazalgette Tunnel Limited - STID PROPOSAL

1. INTRODUCTION

- 1.1 We refer to the Security Trust and Intercreditor Deed dated 24 August 2015 as amended to date (the "**STID**") between, amongst others, Bazalgette Tunnel Limited (the "**Company**"), Bazalgette Holdings Limited, Bazalgette Ventures Limited, Bazalgette Finance plc (the "**Issuer**"), the financial institutions listed in part D of schedule 1 to the STID as original bank lenders, the Secretary of State for Environment, Food and Rural Affairs and the Obligor Security Trustee.
- 1.2 This is a STID Proposal as defined in the MDA (as defined below).
- 1.3 Unless otherwise expressly defined in this STID Proposal, terms defined in the master definitions agreement dated 24 August 2015, as amended to date (the "**MDA**") and made between, amongst others, the parties to the STID have the same meaning when used in this STID Proposal.

2. PROPOSAL

Proposed Consent in relation to the appointment of PricewaterhouseCoopers LLP as auditors of the Holdco Group

- 2.1 The Holdco Group's Auditor for the financial year ending 31 March 2023 is KMPG LLP ("**KPMG**"). KPMG has indicated its intention to resign as external auditor following completion of its audit of the Holdco Group's Financial Statements and Annual Performance Report for the year ended 31 March 2023. Following a formal and competitive tender process led by the Company's Audit Committee, the Company intends to appoint PricewaterhouseCoopers LLP ("**PWC**") as external auditor to the Holdco Group, including the Obligors. By this STID Proposal, the Holdco Group Agent proposes that the Obligor Security Trustee consents to the appointment of PWC as Auditors to the Obligors.
- 2.2 The consent referred to in paragraph 2.1 above is referred to in this STID Proposal as the "**Proposed Consent**". In the event that PWC are appointed as the Auditors of the Obligors prior to the granting of the Proposed Consent, the Proposed Consent shall operate retrospectively in accordance with clause 32.4(x) of the STID and, accordingly, any related breach of the Common Documents arising in relation to such appointment shall be deemed to be waived with immediate effect.

Requirement for consent under the Common Documents and the Finance Documents

- 2.3 Paragraph 39 ("**Paragraph 39**") of Part C (General Covenants) of Schedule 3 to the CTA provides as follows:
- 2.4 "*Each Obligor will at all times retain reputable auditors and may only replace the auditors with the prior written consent of the Obligor Security Trustee, such consent not to be unreasonably withheld or delayed.*"
- 2.5 The definition of "Auditors" in the MDA provides as follows:
- 2.6 *Auditors means a reputable firm of accountants which may be appointed by the Borrower as its auditors with the prior approval of the Obligor Security Trustee.*
- 2.7 The prior written consent of the Obligor Security Trustee is therefore required in respect of the appointment of PWC as the Auditors to the Obligors.

Absence of Material Prejudice

2.8 The Company believes that the Proposed Consent is of a formal, minor, administrative or technical nature in accordance with clause 20.1(a)(i) of the STID.

2.9 The Company further believes that the Proposed Consent would not have any negative effects on the financial condition, financial performance or prospects of the Holdco Group, and would not be "materially prejudicial" to the interests of the Obligor Secured Creditors, where, in accordance with clause 20.1(a)(ii) of the STID, "materially prejudicial" means that such consent would have a material adverse effect on the ability of the Obligors to pay any amounts of principal or interest or any other amounts in respect of the Obligor Secured Liabilities owed or deemed to be owed to the relevant Obligor Secured Creditors on the relevant due date for payment thereof.

3. VOTING AND ENTRENCHED RIGHTS

Voting Categories

3.1 We hereby certify that this STID Proposal gives rise to a Discretion Matter and does not give rise to an Entrenched Right in respect of any Obligor Secured Creditor or any Finco Secured Creditor.

Discretion Matter

3.2 Subject to the provisions of the STID in respect of any challenge as referred to in paragraph 3.3 below, the approval of the Obligor Security Trustee of this STID Proposal as a Discretion Matter is requested on the basis set out in a certificate to the Obligor Security Trustee from the Holdco Group Agent dated on or about the date hereof.

Procedure to Challenge

3.3 The determination made by the Holdco Group Agent that this STID Proposal does not give rise to an Entrenched Right affecting any Obligor Secured Creditor and/or Finco Secured Creditor shall be binding on the Obligor Secured Creditors and Finco Secured Creditors unless the Obligor Security Trustee is instructed by an Obligor Secured Creditor (acting through its Secured Creditor Representative, if any, including, in the case of Finco, any Secured Creditor Representative on behalf of the relevant Finco Secured Creditors) to deliver an Entrenched Right Dissenting Notice in accordance with clause 19.4(c) (*Determination of voting category*) of the STID, within five (5) Business Days of receipt of this STID Proposal by the relevant Secured Creditor Representative from the Obligor Security Trustee in accordance with clause 19.4(c) of the STID.

3.4 Any Obligor Secured Creditor and/or Finco Secured Creditor which wishes the Obligor Security Trustee to deliver an Entrenched Right Dissenting Notice must provide the following information (the "**Relevant Information**") to the Obligor Security Trustee by email to: francoise.riviere@db.com copied to asfs_trustee@list.db.com by no later than 4 pm (London time) on 14 September 2023:

- (a) indication of the relevant Entrenched Right to which it believes the STID Proposal gives rise;
- (b) supporting evidence or substantiation for its disagreement with the determination regarding the Entrenched Right;
- (c) in the case of a Bondholder, proof of the Bondholder's holding of the relevant Series of Bonds, including the aggregate nominal amount of the relevant Series of Bonds which are held by the Bondholder and the securities account number at the relevant Clearing System in which the relevant Series of Bonds are held (such proof to be provided in the form of a form RF30 or Euclid statement from Euroclear; a Creation Online statement from Clearstream, Luxembourg and/or another form of evidence satisfactory to the Obligor Security Trustee, such as a confirmation from their custodian); and
- (d) the name, telephone number and email address of the Obligor Secured Creditor or Bondholder.

4. GENERAL

Confirmation of Receipt

4.1 We should be grateful if you would confirm receipt of this STID Proposal to the Holdco Group Agent by email to investor.relations@tideway.london

Time Period for Request and Decision Period

4.2 The approval of the Obligor Security Trustee to the matters set out in this STID Proposal is sought by the date falling five (5) Business Days from the date of this STID Proposal being the first day of the Decision Period determined in accordance with clause 19.6 (*Commencement of Decision Period*) of the STID.

4.3 On the basis that this STID Proposal is received by each Secured Creditor Representative on the date hereof, the Decision Period will commence on 14 September 2023, unless there is a challenge as to whether a matter gives rise to an Entrenched Right, as described in paragraph 3.3 above (i.e. following the expiry of five (5) Business Days of receipt of this STID Proposal).

4.4 The Decision Period will end on the earlier of the day on which the Obligor Security Trustee gives its consent and 21 September 2023, being five (5) Business Days following the commencement of the Decision Period.

4.5 If the commencement of the Decision Period is delayed as the result of this STID Proposal being received by a Secured Creditor Representative after its date or as a result of a challenge as to whether this STID Proposal gives rise to an Entrenched Right, the Holdco Group Agent will notify each Secured Creditor Representative of the revised date for the commencement and termination of the Decision Period promptly after those matters have been determined in accordance with the STID.

Governing Law

4.6 This STID Proposal and any non-contractual obligations arising out of or in connection with it shall be governed by, and interpreted in accordance with, English law.

Yours faithfully,



.....
Director
for and on behalf of

BAZALGETTE TUNNEL LIMITED

as Holdco Group Agent