

## **ANGLIAN WATER SERVICES FINANCING PLC**

### **Issue of U.S.\$47,000,000 5.000 per cent. Class B unwrapped guaranteed registered Bonds due October 2022 (the “Bonds”) unconditionally and irrevocably guaranteed by, *inter alios*, ANGLIAN WATER SERVICES LIMITED under the €10,000,000,000 Global Secured Medium Term Note Programme**

#### **PART A — CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Prospectus dated 6 October 2011, the supplementary prospectus dated 5 December 2011, the supplementary prospectus dated 7 March 2012 and the supplementary prospectus dated 1 June 2012 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer, the Obligors and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Prospectus as so supplemented. The Prospectus and the supplemental Prospectus are available for viewing at Anglian House, Ambury Road, Huntingdon, Cambridgeshire PE29 3NZ and [www.anglianwater.co.uk](http://www.anglianwater.co.uk) and copies may be obtained from Anglian House, Ambury Road, Huntingdon, Cambridgeshire PE29 3NZ.

Repayment of the principal and payment of any interest or premium in connection with the Bonds has not been guaranteed by MBIA UK Insurance Limited or by any other financial institution.

**THE BONDS AND THE GUARANTEES IN RESPECT THEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, THE BONDS MAY NOT BE OFFERED OR SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)). THESE FINAL TERMS HAVE BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE BONDS OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S AND WITHIN THE UNITED STATES AND TO U.S. PERSONS THAT ARE “ACCREDITED INVESTORS” (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7)) UNDER THE SECURITIES ACT THAT ARE INSTITUTIONS (“INSTITUTIONAL ACCREDITED INVESTORS”), THAT EXECUTE AND DELIVER AN IAI INVESTMENT LETTER, IN TRANSACTIONS NOT INVOLVING A PUBLIC OFFERING IN THE UNITED STATES. FOR A DESCRIPTION OF RESTRICTIONS ON TRANSFERS OF THE BONDS AND DISTRIBUTION OF THESE FINAL TERMS AND THE REMAINDER OF THE PROSPECTUS, SEE**

**“SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS” CONTAINED IN THE PROSPECTUS.**

**1**

- (i) Issuer: Anglian Water Services Financing Plc
- (ii) Obligors: Anglian Water Services Limited, Anglian Water Services Holdings Limited and Anglian Water Services Overseas Holdings Limited

**2**

- (i) Series Number: 43
- (ii) Tranche Number: 1
- (iii) Nature of Bonds: USPP Bonds

**3** Specified Currency or Currencies: U.S. dollars (“**U.S.\$**”)

**4** Aggregate Nominal Amount of Bonds: Series: U.S.\$47,000,000  
Tranche: U.S.\$47,000,000

**5** Issue Price of Tranche: 100 per cent. of the Aggregate Nominal Amount

(i) Net Proceeds: Not Applicable

**6** Specified Denominations: U.S.\$500,000 plus integral multiples of U.S.\$10,000 thereafter

**7** Issue Date: 1 August 2012

**8** Interest Commencement Date: 1 October 2012

**9** Maturity Date: 1 October 2022

**10** Interest Basis: Fixed Rate Bond

**11** Redemption/Payment Basis: Redemption at par plus Make-Whole Amount, if applicable

**12** Change of Interest Basis or Redemption/Payment Basis: Not Applicable

**13** Call Options: Issuer Call

**14** (i) Status of the Bonds: The Class B Wrapped Bonds and the Class B Unwrapped Bonds will rank *pari passu* among each other and are subordinated in terms of interest and principal payments to the Class A Wrapped Bonds and the Class A Unwrapped Bonds. The USPP Bonds will constitute Class B Bonds.

(ii) Status of the Guarantees: Senior

(iii) Date Board approval for issuance of Bonds obtained: 27 July 2012

**15** Listing: None on the Issue Date. The Issuer intends to list the Bonds in London following the Issue Date. See paragraph 4 of the Annex hereto.

**16** Method of Distribution: Non-syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 17 Fixed Rate Bond Provisions:** Applicable
- (i) Rate(s) of Interest: 5.000 per cent. per annum payable semi-annually in arrear
  - (ii) Interest Payment Date(s): 1 April and 1 October in each year, commencing 1 April 2013, up to and including the Maturity Date, adjusted in accordance with the Following Business Day Convention
  - (iii) Fixed Coupon Amount(s): U.S.\$25.00 per U.S.\$1,000 nominal amount of the Bonds
  - (iv) Broken Amount(s): None
  - (v) Day Count Fraction: 30/360
  - (vi) Determination Dates: Not Applicable
  - (vii) Other terms relating to the method of calculating interest for Fixed Rate Bonds: None
- 18 Floating Rate Bond Provisions:** Not Applicable
- 19 Zero Coupon Bond Provisions:** Not Applicable
- 20 Index Linked Interest/Redemption Bond Provisions:** Not Applicable
- 21 Indexation Bond Provisions:** Not Applicable
- 22 Dual Currency Bond Provisions:** Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

- 23 Issuer Call:** Applicable
- (i) Optional Redemption Date(s): The date specified in any notice delivered by the Issuer pursuant to Condition 10(d) (*Redemption at the option of the Issuer (Issuer Call)*)

(ii)	Optional Redemption Amount of each Bond and method, if any, of calculation of such amount(s):	Outstanding nominal amount that is to be redeemed pursuant to Condition 10(d) plus the Make-Whole Amount, if any. In the case of a partial redemption of the Bonds, the principal amount of the Bonds to be redeemed shall be allocated amongst all the Bonds at the time outstanding in proportion, as nearly as practicable, to the respective outstanding nominal amounts thereof which have not previously been redeemed and for the purposes of the Bonds the second paragraph of Condition 10(d) will not apply
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	10 per cent. of the outstanding nominal amount of the Bonds
	(b) Maximum Redemption Amount:	Not Applicable
(iv)	Notice period (if other than as set out in the Conditions):	Not Applicable
<b>24</b>	<b>Final Redemption Amount of each Bond:</b>	Outstanding nominal amount.
<b>25</b>	<b>Additional provisions relating to Make-Whole Amount Calculations:</b>	For the purposes of the definition of Reinvestment Yield, the Specified Margin is 0.50 per cent.
<b>26</b>	Early Redemption Amount of each Bond payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 10(e)):	Outstanding nominal amount.
<b>GENERAL PROVISIONS APPLICABLE TO THE BONDS</b>		
<b>27</b>	Form of Bonds:	
	(i) New Global Note:	No
	(ii) Registered Bonds:	Yes
		<i>Definitive IAI Registered Bonds (minimum denominations of U.S.\$500,000 and integral multiples of U.S.\$10,000 thereafter).</i>
<b>28</b>	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable

- |           |  |                  |
|-----------|--|------------------|
| <b>29</b> | Talons for future Coupons or Receipts to be attached to Definitive Bearer Bonds (and dates on which such Talons mature):   | Not Applicable   |
| <b>30</b> | Details relating to Partly Paid Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Bonds and interest due on late payment: | Not Applicable   |
| <b>31</b> | Details relating to Instalment Bonds:  |                  |
|           | (i) Instalment Amount(s):  | Not Applicable   |
|           | (ii) Instalment Date(s):   | Not Applicable   |
| <b>32</b> | Redenomination applicable:   | Not Applicable   |
| <b>33</b> | Other final terms:   | See Annex hereto |

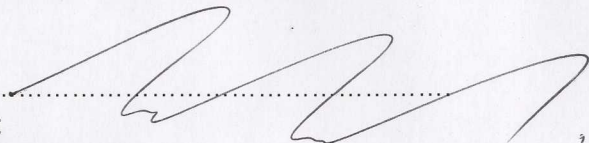
#### **DISTRIBUTION**

- |           |   |  |
|-----------|---|--|
| <b>34</b> | If syndicated, names of Managers:           | Not Applicable   |
|           | (i) Stabilising Manager (if any):           | Not Applicable   |
| <b>35</b> | If non-syndicated, name of relevant Dealer: | Not Applicable   |
| <b>36</b> | Additional selling restrictions:            | US private placement restrictions as set out in the IAI Investment Letter(s) |

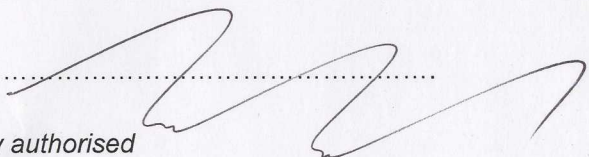
#### **Responsibility**

Each of the Obligors accepts responsibility for the information contained in these Final Terms.

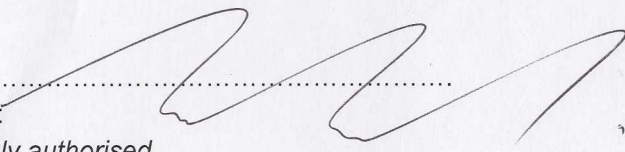
Signed on behalf of the Issuer:

.....  
By:   
*Duly authorised*

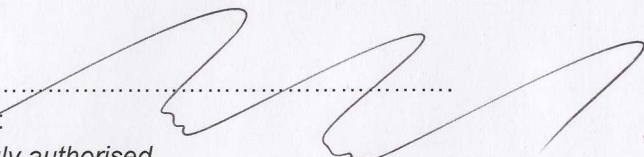
Signed on behalf of Anglian Water Services Limited:

.....  
By:   
*Duly authorised*

Signed on behalf of Anglian Water Services Holdings Limited:

.....  
By:   
*Duly authorised*

Signed on behalf of Anglian Water Services Overseas Holdings Limited:

.....  
By:   
*Duly authorised*

## Part B – OTHER INFORMATION

### 1 Listing

Listing: None on the Issue Date. The Issuer intends to list the Bonds in London following the Issue Date.

(i) Admission to trading: None on the Issue Date. The Issuer intends to apply for the Bonds to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority following the Issue Date.

(ii) Estimate of total expenses related to admission to trading: Not Applicable.

### 2 Ratings

Ratings: The Bonds to be issued have been rated:

S&P: BBB

Moody's: Baa3

Fitch: BBB+

Each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Ltd. and Fitch Ratings Ltd is established in the European Union and is registered under Regulation (EC) No. 1060/2009.

A rating is not a recommendation to buy, hold or sell securities and may be subject to suspension or withdrawal at any time

### 3 Notification

Not Applicable

### 4 Reasons for the offer, estimated net proceeds and total expenses

Reasons for the offer: Not Applicable

### 5 Yield

Indication of yield: 5.00 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 6 Performance of Index/Formula/Other Variable and other Information Concerning the

**Underlying**

Not Applicable

**7 Performance of Rates of Exchange**

Not Applicable

**8 Operational Information**

Intended to be held in a manner which would allow Eurosystem eligibility: No

ISIN: GB00B83TP606

CUSIP: Not Applicable

PPN: G0369@ AQ9

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): Not Applicable

Delivery: See Annex hereto

Names and addresses of additional Paying Agent(s) (if any): None

**9 General**

Applicable TEFRA exemption: Not Applicable



## ANNEX

### 1 Taxation

Condition 11 (*Taxation*) shall be deleted and replaced with the following:

#### **“11 Tax gross up and indemnities**

##### **11.1 From the Issue Date to but excluding the date on which the Bonds are listed**

This Condition 11.1 applies from the Issue Date to but excluding the date (if any) on which the Bonds are listed (and, for the avoidance of doubt, if the Bonds are never listed, this Condition 11.1 shall apply at all times),

##### (a) *Definitions*

In this Condition 11:

**“Borrower DTTP Filing”** means an H.M. Revenue & Customs’ Form DTTP2 duly completed and filed by the Issuer, which:

##### **A.**

- (i) where it relates to a Treaty Bondholder that is an Original Bondholder, contains the DTTP reference number and jurisdiction of tax residence notified to the Issuer in writing within 10 Business Days of issue of the Bonds; or
- (ii) where it relates to a Treaty Bondholder that is a New Bondholder, contains the DTTP reference number and jurisdiction of tax residence notified in respect of that Bondholder to the Issuer in writing within 10 Business Days of transfer of the Bonds to such Bondholder, and

**B.** is filed with H.M. Revenue & Customs within 30 days of the Issue Date or, as applicable, that transfer date.

**“CTA”** means the Corporation Tax Act 2009.

**“ITA”** means the Income Tax Act 2007.

**“New Bondholder”** means any Bondholder other than an Original Bondholder.

**“Original Bondholder”** means a Bondholder who is issued the Bonds directly by the Issuer.

**“Qualifying Bondholder”** means a Bondholder which is beneficially entitled to interest payable to that Bondholder in respect of an advance under the Bonds and is:

**A.** a Bondholder which is:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
- (ii) a partnership each member of which is:
  - (a) a company so resident in the United Kingdom; or
  - (b) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of Section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

- (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of Section 19 of the CTA) of that company; or

**B.** a Treaty Bondholder.

“**Tax Confirmation**” means a confirmation by a Bondholder that the person beneficially entitled to interest payable to that Bondholder in respect of an advance under the Bonds is either:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes; or
- (ii) a partnership each member of which is:
  - (a) a company so resident in the United Kingdom; or
  - (b) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of Section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
- (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of Section 19 of the CTA) of that company.

“**Tax Credit**” means a credit against, relief or remission for, or repayment of any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under the Bonds.

“**Tax Payment**” means the increase in a payment made by the Issuer or any Obligor or any Paying Agent acting on its behalf to a Bondholder under Condition 11(b) (*Tax gross-up*).

“**Treaty Bondholder**” means a Bondholder which:

- (i) is treated as a resident of a Treaty State for the purposes of the Treaty;
- (ii) does not carry on a business in the United Kingdom through a permanent establishment with which that Bondholder’s participation in the Bonds is effectively connected; and
- (iii) is capable of fulfilling any conditions which must be fulfilled under the double taxation agreement for residents of that Treaty State to obtain exemption from United Kingdom taxation on interest.

“**Treaty State**” means a jurisdiction having a double taxation agreement (a “**Treaty**”) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

Unless a contrary indication appears, in this Condition 11 a reference to “determines” or “determined” means a determination made in the absolute discretion of the person making the determination.

- (b) *Tax gross-up*

- (i) The Issuer or, as the case may be, any other Obligor and any Paying Agent acting on behalf of any such entity, shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (ii) The Issuer shall promptly upon becoming aware that it or any Obligor or any Paying Agent acting on its behalf must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Bondholders accordingly. Similarly, a Bondholder shall notify the Issuer on becoming so aware in respect of a payment payable to that Bondholder. In addition, a Bondholder shall promptly notify the Issuer if it ceases to be a Qualifying Bondholder, including (for the avoidance of doubt) where it has ceased to be beneficially entitled to interest payable on the Bonds as a result of a transfer of its legal or beneficial interest in the Bonds.
- (iii) If a Tax Deduction is required by law to be made by the Issuer or any Obligor or any Paying Agent acting on its behalf, the amount of the payment due from the Issuer or any Obligor or any Paying Agent acting on its behalf shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (iv) A payment shall not be increased under paragraph (iii) above by reason of a Tax Deduction on account of Tax imposed by the United Kingdom, if on the date on which the payment falls due:
  - A. the payment could have been made to the relevant Bondholder without a Tax Deduction if the Bondholder had been a Qualifying Bondholder, but on that date that Bondholder is not or has ceased to be a Qualifying Bondholder other than as a result of any change after the date it became a Bondholder in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or
  - B. the relevant Bondholder is a Qualifying Bondholder solely by virtue of paragraph (A) of the definition of Qualifying Bondholder and:
    - I. an officer of HM Revenue & Customs has given (and not revoked) a direction (a “**Direction**”) under section 931 of the ITA which relates to the payment and that Bondholder has received from the Issuer a certified copy of that Direction; and
    - II. the payment could have been made to the Bondholder without any Tax Deduction if that Direction had not been made; or
  - C. the relevant Bondholder is a Qualifying Bondholder solely by virtue of paragraph (A) of the definition of Qualifying Bondholder and:
    - I. the relevant Bondholder has not given a Tax Confirmation to the Issuer; and
    - II. the payment could have been made to the Bondholder without any Tax Deduction if the Bondholder had given a Tax Confirmation to the Issuer, on the basis that the Tax Confirmation would have enabled the Issuer to have formed a reasonable belief that the payment was an “excepted payment” for the purpose of section 930 of the ITA; or
  - D. the relevant Bondholder is a Treaty Bondholder and the Issuer is able to demonstrate that the payment could have been made to the Bondholder without

the Tax Deduction had that Bondholder complied with its obligations under paragraph (vii) or (viii) (as applicable) below.

(v) If the Issuer or any Obligor or any Paying Agent acting on its behalf is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(vi) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Issuer shall deliver to the relevant Bondholders a statement under section 975 of the ITA or other evidence reasonably satisfactory to those Bondholders that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(vii)

**A.** Subject to paragraph (B) below, a Treaty Bondholder and the Issuer shall cooperate in completing any procedural formalities necessary for the Issuer or any Obligor or any Paying Agent acting on its behalf to obtain authorisation to make that payment without a Tax Deduction.

**B.**

**I.** A Treaty Bondholder which is issued the Bonds directly by the Issuer, that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to the Bonds, shall confirm its DTTP reference number and its jurisdiction of tax residence in writing to the Issuer within 10 Business Days of issue of the Bonds; and

**II.** a New Bondholder that is a Treaty Bondholder that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to the Bonds, shall confirm its DTTP reference number and its jurisdiction of tax residence in writing directly to the Issuer within 10 Business Days of transfer of the Bonds,

and, having done so, that Bondholder shall be under no obligation pursuant to paragraph (A) above.

**C.** Each Bondholder that includes the confirmation described in paragraph (B)(I) above or the confirmation described in paragraph (B)(II) above thereby notifies the Issuer that, to the extent that the HMRC DT Treaty Passport scheme is to apply in respect of that Bondholder's holding of the Bonds, the Issuer must file a Borrower DTTP Filing.

(viii) If a Bondholder has confirmed its DTTP reference number and its jurisdiction of tax residence in accordance with paragraph (vii)(B) above and:

**A.** the Issuer has not made a Borrower DTTP Filing in respect of that Bondholder; or

**B.** the Issuer has made a Borrower DTTP Filing in respect of that Bondholder but:

**I.** that Borrower DTTP Filing has been rejected by H.M. Revenue & Customs; or

- II. H.M. Revenue & Customs has not given the Issuer authority to make payments to that Bondholder without a Tax Deduction within 60 days of the date of the Borrower DTTP Filing,

and in each case, the Issuer has notified that Bondholder in writing, that Bondholder and the Issuer shall co-operate in completing any additional procedural formalities necessary for the Issuer to obtain authorisation to make that payment without a Tax Deduction.

- (ix) The Issuer shall, promptly on making a Borrower DTTP Filing, deliver a copy of that Borrower DTTP Filing to the relevant Bondholder.
- (x) A Bondholder who is a Qualifying Bondholder solely by virtue of paragraph (A) of the definition of Qualifying Bondholder and who is issued the Bonds directly by the Issuer gives a Tax Confirmation to the Issuer by subscribing for the Bonds.
- (xi) A Bondholder who is a Qualifying Bondholder solely by virtue of paragraph (A) of the definition of Qualifying Bondholder shall promptly notify the Issuer if there is any change in the position from that set out in the Tax Confirmation.
- (c) *Tax Credit*

If the Issuer makes a Tax Payment and the relevant Bondholder determines that:

- (i) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (ii) that Bondholder has obtained and utilised that Tax Credit,

the Bondholder shall pay an amount to the Issuer which that Bondholder determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Issuer.

- (d) *Bondholder status confirmation*

Each Bondholder which becomes a Bondholder after 1 August 2012 shall indicate, in the documentation submitted to the Registrar on registration of the transfer of the Bonds, which of the following categories it falls in:

- (i) not a Qualifying Bondholder;
- (ii) a Qualifying Bondholder (other than a Treaty Bondholder); or
- (iii) a Treaty Bondholder.

If a New Bondholder fails to indicate its status in accordance with this Condition 11(d) then such New Bondholder shall be treated for the purposes of these Conditions (including by the Issuer) as if it is not a Qualifying Bondholder until such time as it notifies the Issuer which category applies.

#### **11.2 From and including the date on which the Bonds are listed**

This Condition 11.2 applies from and including the date on which the Bonds are listed.

All payments of principal and interest in respect of the Bonds, Receipts and Coupons by the Issuer and the other Obligors or by any Paying Agent, the Registrar, the Bond Trustee or the Security Trustee will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In that event the Issuer or, as the case may be,

any other Obligor shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

- (a) **Other connection:** by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the United Kingdom or, in the case of payments made by AWS Overseas Holdings, the Cayman Islands other than the mere holding of the Bond; or
- (b) **Surrender more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the Definitive IAI Registered Bond representing such Bond for payment on the last day of such period of 30 days; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

“**Relevant Date**” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Definitive IAI Registered Bond representing such Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

“**Tax Jurisdiction**” means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or (in the case of payment by AWS Overseas Holdings) the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax.”.

## **2 Payment and delivery**

### **2.1 On the Documentation Closing Date**

The Definitive IAI Registered Bonds in respect of the Bonds (the “**Relevant Definitive IAI Registered Bonds**”) shall be delivered by, or on behalf of, the Issuer to Winston & Strawn LLP to be held in escrow for the holders of the Bonds until the Funding Date, provided that:

- (i) no holder of the Bonds or the Issuer shall have any entitlement to receive any Relevant Definitive IAI Registered Bond except in accordance with this paragraph 2; and
- (ii) Winston & Strawn LLP delivers to the Issuer, promptly upon receipt of such Relevant Definitive IAI Registered Bonds and in any event, no later than 4.00 p.m. (London time) a letter substantially in the form agreed between Winston & Strawn LLP and the Issuer, confirming, among other things, receipt by Winston & Strawn LLP of such Relevant Definitive IAI Registered Bonds.

### **2.2 On the Funding Date**

**2.2.1** Each holder of the Relevant Definitive IAI Registered Bond shall by no later than 7.00 p.m. (London time), or any later time that has been agreed in writing by the parties (the “**Funding Deadline**”), on the Funding Date, credit to the account of the Issuer (as notified by the Issuer to the holder of the Relevant Definitive IAI Registered Bond prior to the Documentation Closing Date) in U.S.\$ and in immediately available cleared funds an amount equal to the Aggregate Nominal Amount of the Bonds.

**2.2.2** Promptly following receipt of the Aggregate Nominal Amount of the Bonds, the Issuer shall deliver a letter to Winston & Strawn LLP:

- (i) confirming receipt of such amount; and
- (ii) giving instructions to Winston & Strawn LLP to release the Relevant Definitive IAI Registered Bonds to the respective holders of the Bonds.

### **2.3 Return of Relevant Definitive IAI Registered Bonds**

If the Issuer has not received the Aggregate Nominal Amount of the Bonds by 8.00 p.m. (London time), or any later time that has been agreed in writing by the parties, on the Funding Date:

**2.3.1** Winston & Strawn LLP shall:

- (i) promptly deliver each Relevant Definitive IAI Registered Bond in respect of the Bonds to the Issuer; and
- (ii) promptly notify (a) the Issuer, (b) the Registrar, (c) the Bond Trustee and (d) the Security Trustee that each Relevant Definitive IAI Registered Bond has so been returned, and

**2.3.2** the Issuer shall procure that the Registrar, following receipt of the notification to it by Winston & Strawn LLP in paragraph 2.3.1(ii) above, cancel each Relevant Definitive IAI Registered Bond and update the Register accordingly.

### **2.4 No obligation to release and deliver the Relevant Definitive IAI Registered Bonds by Winston & Strawn LLP**

In no circumstance will Winston & Strawn LLP be obliged to release and deliver the Relevant Definitive IAI Registered Bonds to any holder of the Bonds unless each of the following conditions are met and are continuing:

- (i) the Relevant Dealer has received payment in respect of the Aggregate Nominal Amount of the Bonds from all the relevant holders of the Bonds on or before the Funding Deadline; and
- (ii) the Issuer has received an amount equal to the Aggregate Nominal Amount of the Bonds in an account in its name.

### **2.5 No Liability**

No Liability and no Secured Liability shall arise on the part of the Issuer or any other Obligor or shall be owed by the Issuer or any Obligor to the holder of a Relevant Definitive IAI Registered Bond (including, without limitation, under these Final Terms or any Finance Document to which a holder of the Relevant Definitive IAI Registered Bond is a party) until the Funding Date, provided that the steps set out in paragraph 2.2 are satisfied.

## 2.6 Definitions for paragraph 2

For the purposes of this paragraph 2:

“**Aggregate Nominal Amount**” has the meaning given to it in Part A of these Final Terms;

“**Documentation Closing Date**” means 1 August 2012;

“**Funding Date**” means 1 October 2012;

“**Liability**” has the meaning given to it in the Master Definitions Agreement;

“**Obligor**” has the meaning given to it in the Master Definitions Agreement;

“**Relevant Dealer**” means Barclays Bank PLC;

“**Register**” has the meaning given to it in the Master Definitions Agreement;

“**Secured Liability**” has the meaning given to it in the Master Definitions Agreement; and

“**U.S.\$**” means the Specified Currency (as used in these Final Terms).

## 3 Amendments

The Issuer and AWS will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, to any holder of the Bonds issued under these Final Terms (the “**Relevant Bondholder**”) as consideration for or as an inducement to the entering into by any waiver or amendment of any of the terms and provisions in these Final Terms unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, rateably to each Relevant Bondholder then outstanding even if such Relevant Bondholder did not consent to such waiver or amendment.

## 4 Listing

The Issuer and AWS undertake to the holders of the Bonds that they shall use reasonable endeavours to list the Bonds prior to the first Interest Payment Date of the Bonds. Following the successful listing of the Bonds, the Issuer and AWS shall promptly notify the holders of the Bonds of such listing.