

SCHEDULE 3A ALTERNATIVE PAYMENT TERMS AGREEMENT

This Agreement is made on

between:

- (1) **WESSEX WATER SERVICES LIMITED**, a company incorporated in England (No. 02366648) whose registered office is at Operations Centre, Claverton Down Road, Bath, BA2 7WVV ("**Contracting Wholesaler**"); and
- (2) **PENNON WATER SERVICES LIMITED**, a company incorporated in England (No. 09902835) whose registered office is at Peninsula House, Rydon Lane, Exeter, EX2 7HR ("**Contracting Retailer**").

BACKGROUND

- A The Contracting Wholesaler and the Contracting Retailer entered into a Wholesale Contract for Wholesale contract dated **17 March 2017** which incorporates the Business Terms as mandated by the Wholesale Retail Code (a copy of which is available at <https://www.mosl.co.uk/market-codes/codes>) ("**Wholesale Contract**").
- B The Contracting Wholesaler and the Contracting Retailer have agreed to enter into this Agreement to put in place alternative payment terms in respect of the Primary Charges in accordance with Section 9.2.4 and Schedule 3A of the Business Terms, subject to and on the terms of this Agreement.

AGREED TERMS

1. Definition and Interpretation

- 1.1 Except as otherwise expressly provided in this Agreement, defined terms used in this Agreement shall have the meaning given to them in the Wholesale Contract (as defined above).
- 1.2 Headings are included in this Agreement for ease of reference only and shall not affect the interpretation or construction of this Agreement.

2. Consideration

- 2.1 In consideration of the Contracting Wholesaler's agreement set out in clause 3 below, the Contracting Retailer agrees to pay to the Contracting Wholesaler on demand the sum of £1 (one pound sterling).

3. Alternative Payment Terms

- 3.1 Pursuant to Section 9.2.4 of the Business Terms, the Contracting Wholesaler and the Contracting Retailer have agreed with the effect from the Effective Date (as defined in clause 4.1), Section 9.2.3(c)(ii) of the Business Terms (as incorporated in the Wholesale Contract) shall be deemed amended to read "*fifteen (15) Business Days after the date of the invoice from the Contracting Wholesaler is received*".

- 3.2 This Agreement is subject to the Contracting Retailer providing and maintaining suitable Alternative Eligible Credit Support in accordance with Section 9.1.2, Schedule 3, and Schedule 3A of the Business Terms.
- 3.3 The parties agree that nothing in this Agreement shall prejudice or otherwise undermine the obligation or other liability of the Contracting Retailer to pay any amount to the Contracting Wholesaler under the Wholesale Contract, and the rights and remedies of the Contracting Wholesaler in respect of such obligations and liabilities shall be unaffected.

4. Term and Termination of this Agreement

4.1 Subject to clause 4.2, this Agreement shall take effect on **01 March 2025 ("Effective Date")** and unless terminated earlier in accordance with its terms, shall continue in full force and effect until **31 March 2027 ("Term")**.

4.2 Without prejudice to the foregoing, this Agreement shall automatically terminate on the earlier of:

- a) the end of the Term;
- b) the expiration or termination for any reason of the Wholesale Contract;
- c) the Contracting Wholesaler terminates this Agreement on notice in the event that the Contracting Retailer does not comply with the Business Terms as amended by this Agreement (including, for the avoidance of doubt, in relation to the payment of the Primary Charges and the requirement for Alternative Eligible Credit Support as referred to in clause 3.2 of this Agreement);
- d) in the event that the Contracting Retailer elects to either:
 - i. revert to the payment terms mandated by the Business Terms in relation to Post-Payment of its Primary Charges; or
 - ii. change from Post-Payment of its Primary Charges to Pre-Payment of its Primary Charges; or
 - iii. agree further Alternative Payment Terms with the Contracting Wholesaler in accordance with Section 9.2.4 and Schedule 3A of the Business Terms.

provided always that the Contracting Retailer has provided the Contracting Wholesaler with 30 Business Days' prior notice of its intention to do so.

4.3 On termination of this Agreement in accordance with clause 4.2(a), 4.2(c), and 4.2(d) above, the Contracting Retailer shall automatically revert to the payment terms mandated by the Business Terms in relation to Post-Payment of its Primary Charges unless and until:

- a) The contracting Retailer has elected to change from Post-Payment of its Primary Charges to Pre-Payment of its Primary Charges by giving 30 Business Days' notice of its intention to do so the Contracting Wholesaler; or

- b) The parties have agreed further Alternative Payment Terms in accordance with Section 9.2.4 and Schedule 3A of the Business Terms.

5. General

- 5.1 Save to the extent varied or amended by the arrangements set out in this Agreement, the Wholesale Contract (and all provisions of it) shall remain in full force and effect without amendment and shall continue to govern the relationship between the parties as Contracting Wholesaler and Contracting Retailer (including, for the avoidance of doubt, the liabilities, and obligations of the respective parties). No greater liability shall be assured by the Contracting Wholesaler to the Contracting Retailer as a consequence of entering into this Agreement.
- 5.2 This Agreement together with the Wholesale Contract constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations, and understandings between them, whether written or oral, relating to its subject matter.
- 5.3 Each party acknowledges that in entering into this Agreement, it does not rely on any statement, representation, assurance, or warranty (whether made innocently or negligently) that is not set out in this Agreement.
- 5.4 Except as expressly provided in this Agreement, each party shall pay its own costs incurred in connection with the negotiation, preparation, and execution of this Agreement.
- 5.5 No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representative).
- 5.6 No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it provide or restrict the further exercise of that or any other remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or *any other* right or remedy.
- 5.7 The rights and remedies provided under this Agreement are in addition to, and not exclusive of, any rights or remedies provided by law.
- 5.8 All notices served under this Agreement shall be served in accordance with the requirements of the Wholesale Contract relating to the provision of notices on that party.
- 5.9 The parties do not intend any third party to have the rights to enforce any provision of this Agreement (whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise).
- 5.10 The Contracting Retailer acknowledges and agrees that:

- a) it is entering into this Agreement as a means of obtaining Alternative Payment Terms in accordance with Section 9.2.4 and Schedule 3A of the Business Terms; and
- b) in order to comply with Schedule 3A of the Business Terms, this Agreement shall be published in full (including the identity of the Contracting Retailer) on the Contracting Wholesaler's website.

6. Governing Law and Jurisdiction

- 6.1 This Agreement and any dispute or claim arising out of in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 6.2 The courts of England and Wales have exclusive jurisdiction to settle any dispute or claim (including any non-contractual disputes or claims) arising from or connected with this Agreement. The parties agree that the Courts of England and Wales are appropriate and convenient courts to settle any such dispute and, accordingly, that they will not argue to the contrary.

This Agreement has been entered into on the date stated at the beginning of it.