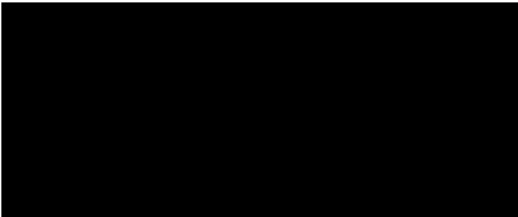


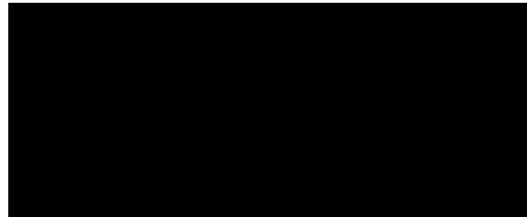
Statement of Board Assurance in relation to the 2026-27 Charges Scheme

Based on the considerations set out in the appendix to this statement, and the results of independent third-party assurance provided by Frontier Economics, to the best of its ability the Board can confirm that:

- (a) the Company complies with its legal obligations relating to the charges set out in its Charges Scheme;
- (b) the Board has assessed the effects of the new charges on customers' bills for a range of different customer types, and approves the impact assessments and handling strategies developed in instances where bill increases for particular customer types exceed 5%;
- (c) the Company has appropriate systems and processes in place to make sure that the information contained in the charges scheme, and the additional information accompanying it is accurate; and
- (d) the Company has consulted the Consumer Council for Water (CCWater) in a timely and effective manner on its Charges Scheme.



Lara Stoimenova
Non-Executive Director and
chair of the Audit & Risk Committee



Chris Milner
Chief Financial Officer

9 January 2026

Appendix to the 2026-27 Charges Scheme Assurance Statement

The Board considered the Wholesale Charges for 2026-27 at its meeting of 4 December 2025, including consideration of the impact of proposed changes to tariffs and of the increase anticipated from the PR24 final determination and PR24 blind year adjustment.

To allow for more detailed scrutiny of the final charges following the publication of the PR24 blind year adjustment and the publication of the final CPIH value for November, the Board agreed to delegate sign off of the final charges to a sub-committee comprising the Chair of the Audit & Risk Committee, the Chief Executive Officer and the Chief Financial Officer. A meeting to approve the final tariffs and assurance statements was held on 9 January 2026. The company's assurers attended the meeting to present their assurance findings and provide members of the Committee with the opportunity to ask questions on the review work undertaken.

Based on these considerations the Committee, on behalf of the Board, felt able to provide the assurance statement above. Further details of the Board's considerations in relation to each of the assurance statements provided is set out below.

(a) The Company complies with its legal obligations relating to the charges set out in its charges schemes.

Specifically, we confirm that the charges result in compliance with the price controls for water resources, network plus and household retail. We are able to confirm that as a consequence of these household tariffs:

- Assessed charges are consistent with volumes of similarly measured properties.
- The total Watersure tariff is set equal to the average measured household bill.

As such we do not believe the tariffs exhibit any undue discrimination between different classes of customer.

Whilst the Company has rigorous processes in place to accurately develop its tariffs and associated charges schemes, the Board also obtained independent assurance from Frontier Economics who have confirmed that the charges comply with the price controls. The Board believe Frontier Economics are well placed to give this assurance given their knowledge of the water industry.

The Board has also considered the cost reflectivity and incentive properties of the indicative wholesale charges. It notes that the Company considers that, based on the typical usage of unmetered customers, prior year charges for unmetered customers may be too low relative to measured charges. To begin to address this imbalance, higher increases have been applied to unmeasured charges for 2026-27.

The Board therefore confirms that the charges included in its Charges Scheme comply with its legal obligations.

- (b) The Board has assessed the effects of the new charges on customers' bills for a range of different customer types, and approves the impact assessments and handling strategies developed in instances where bill increases for particular customer types exceed 5%.**

The Board has assessed the effects of the new charges on customers' bills, for a range of 33 customer types. The 33 groups analysed include the average in a class and an upper and lower customer in the class as required by Ofwat guidelines. The bill impact analysis was reviewed by Frontier Economics as part of their assurance work.

This analysis shows that bill increases for some customers will exceed 5%. This principally reflects the forecast CPIH for November of 3.6% as well as the decision to begin to rebalance charges between fixed and variable elements to simplify charges and maximise the incentive for customers to save water.

The Board has considered the need for handling strategies to minimise the impact on customers of these changes in charging policy and has determined that phasing in these changes over time is appropriate. This phasing-in approach has been reflected in the 2026-27 charges.

In 2025-2026 charges, the Board concluded that it was appropriate to freeze the value of the Social Tariff to protect the most vulnerable customers from large bill increases. In the 2026-27 charges, our Social Tariff has been increased by 3.2%, less than the rate of inflation for the year.

- (c) The Company has appropriate systems and processes in place to make sure that the information contained in the charges scheme, and the additional information accompanying it is accurate; and**

The Company has an internal system of processes and audits which cover financial and non-financial data. These are considered by the Board and Audit & Risk Committee as part of the Company's corporate governance requirements and reported in the Annual Report & Accounts. In doing so the Board has also considered the extent of any relevant control deficiencies raised as a result of this external assurance and the extent that these have been mitigated. The Board therefore confirms that has appropriate systems and processes in place to make sure that the data underlying the tariffs in this publication is accurate.

Based on the review carried out by Frontier Economics it can also confirm that the company has appropriate models in place to ensure that the tariffs are calculated are accurate and comply with the relevant price controls. The tariff model was subject to an update to improve transparency and functionality for the final Wholesale charges. The updates to the model were reviewed by Frontier Economics who confirmed that they are content that the models continue to function as intended.

(d) The Company has consulted the Consumer Council for Water (CCWater) in a timely and effective manner on its charges schemes.

The Company discussed its indicative wholesale charges with CCWater on 9 October 2025, including completion of CCWater's draft charges proforma. It provided a further update on the final charges to CCWater on 18 December 2025. On 9 January we provided CCWater with details of our final charges and the drivers of changes, using CCWater's charges template.

The Company has also engaged with its Independent Challenge Group (ICG) in developing its final wholesale charges, and will continue to work with the ICG as it develops its future charging strategy and charges communications.