

Bristol Water plc
as Contracting Wholesaler

and

Stonegate Pub Company
as Contracting Retailer

**ALTERNATIVE ELIGIBLE CREDIT SUPPORT AGREEMENT
(UNDER SCHEDULE 3 OF THE WHOLESALE CONTRACT)**

This Agreement is made on 15th June 2020

Between

- (1) **Bristol Water plc** (company no 02662226) whose registered office is at Bridgwater Road, Bristol, England, BS13 7AT (the "**Contracting Wholesaler**"); and
- (2) **Stonegate Pub Company Limited** (company no BR014816) whose registered office is at Porter Tun House, 500 Capability Green, Luton, LU1 3LS (the "**Contracting Retailer**")

BACKGROUND

- A. This is an agreement for Alternative Eligible Credit Support under Schedule 3 of the Business Terms of the Wholesale Contract dated 21 January 2019 (the "**Alternative Eligible Credit Support Agreement**") which itself is made pursuant to Section 66D of the Water Industry Act 1991 (the "**Contract**") and is to be read in conjunction with the Contract.
- B. Under the Contract, the Contracting Retailer is required to provide and maintain monthly Eligible Credit Support and/or (with the agreement of the Contracting Wholesaler) Alternative Eligible Credit Support for the Credit Support Amount.
- C. The parties have entered into this Alternative Eligible Credit Support Agreement to enable the Contracting Retailer to, in certain circumstances, reduce the amount of Eligible Credit Support that it provides and maintains.

It is now agreed as follows:

- 1. Unless defined in this Alternative Eligible Credit Support Agreement, all defined terms herein shall have the meaning given to them in the Contract.
- 2. This Alternative Eligible Credit Support Agreement shall take effect on the date hereof..
- 3. Notwithstanding anything to the contrary in the Contract, if the Credit Support Amount for an Invoice Period is under £10,000 (ten thousand pounds), then, for such Invoice Period, a discount shall be applied to reduce the amount of Eligible Credit Support that the Contracting Retailer must provide to £0 (zero pounds) such that the Contracting Retailer shall not be required to provide and maintain Eligible Credit Support in respect of such Invoice Period.
- 4. Nothing in this Alternative Eligible Credit Support Agreement shall affect the Credit Support Amount as calculated under the Contract.
- 5. This Alternative Eligible Credit Support Agreement will automatically terminate on the termination, for any reason, of the Contract.
- 6. This Alternative Eligible Credit Support Agreement may be terminated:
 - (a) by the Contracting Retailer on written notice to the Contracting Wholesaler; or
 - (b) by the Contracting Wholesaler on 30 days written notice to the Contracting Retailer.

- (c) If the Contracting Retailer becomes a Defaulting Trading Party under the Contract, or is otherwise in breach of the Contract; and/or
- (d) the Contracting Retailer in any event fails to make payment due under the Contract on or before the due date, in accordance with Business Terms Section 9.2.3 and Section 9.3.9, on three or more occasions in any rolling 12 month period; and/or
- (e) the Contracting Wholesaler otherwise has reasonable grounds to believe that the Contracting Retailer will default on its payment obligations under the Contract,

On expiry or earlier termination of this Alternative Eligible Credit Support Agreement the arrangements set out herein shall end and the provision of credit support by the Contracting Retailer shall be governed exclusively by the Contract.

7. The Contracting Retailer acknowledges and agrees:
 - (a) that it is entering into this Alternative Eligible Credit Support Agreement as a means of providing Alternative Eligible Credit Support within the meaning of Schedule 3 of the Contract; and
 - (b) that in order to comply with Schedule 3, this Alternative Eligible Credit Support Agreement shall be published in full on the Contracting Wholesaler's website.
8. No variation of this Alternative Eligible Credit Support Agreement shall be effective unless it is in writing and signed by or on behalf of each party.
9. In the event of a conflict between this Alternative Eligible Credit Support Agreement and the Contract, the terms of the Contract shall take precedence.
10. The parties do not intend any third party to have the right to enforce any provision of this Alternative Eligible Credit Support Agreement under the Contracts (Rights of Third Parties) Act 1999 or otherwise.
11. Any notices under this Alternative Eligible Credit Support Agreement shall be served in accordance with the provisions of the Contract.
12. This Alternative Eligible Credit Support Agreement is the entire agreement between the parties, and replaces all previous agreements, representations, and understandings between them, relating to its subject matter whether written or oral.
13. This Alternative Eligible Credit Support Agreement and any non-contractual obligations arising in connection with it (and, unless provided otherwise, any document entered into in connection with it) are governed by and construed in accordance with English law. Without prejudice to the rights of the Authority, the English courts have exclusive jurisdiction to determine any dispute arising in connection with this Alternative Eligible Credit Support Agreement (and, unless provided otherwise, any document entered into in connection with it), including disputes relating to any non-contractual obligations.

Signed by plc: 	for and on behalf of Bristol Water Head of Wholesale Services	 Duly Authorised Person
Signed by 	for and on behalf of Stonegate Pub Company Ltd Commercial Director	 Duly Authorised Person