



This form of undertaking has been determined in accordance with paragraph 14 (Special Administration – combined licences) of the Standard Conditions of Water Supply Licences. It is adopted for the purpose of reflecting paragraph 14 (Special Administration – combined licences) of the Standard Conditions of Water Supply Licences and the changes to the statutory references in accordance with the Companies Act 2006.

## Form of undertaking in accordance with paragraph 14 (Special Administration – combined licences) of the Standard Conditions of Water Supply Licences

[name of licensed water supplier to be inserted here] (“the **Licensee**”) has been granted a water supply licence (“the **Licence**”) under section 17A of the Water Industry Act 1991 (“the **Act**”). Paragraph 1 of the Licence says that it is subject to the Standard Conditions of Water Supply Licences (see section 17H of the Act).

In accordance with paragraph 14 of the Standard Conditions of Water Supply Licences, [name of ultimate parent company to be inserted here] hereby undertakes to the Licensee that for so long as it remains the ultimate parent company of the Licensee and the Licensee holds a combined licence, it shall not, and shall procure that its subsidiaries shall not, cause or contribute to a contravention of the Licensee’s obligation under paragraph 14 of the Standard Conditions of Water Supply Licences. Paragraph 14 of the Standard Conditions of Water Supply Licences sets out that the Licensee shall at all times ensure that, if a special administration order were made in relation to it, it would have sufficient rights and assets available to it to enable the special administrator so to manage the affairs, business and property of the Licensee as to ensure that the purposes of such an order could be achieved.

In this Undertaking:

- (a) “**combined licence**” shall be construed in accordance with section 17A(5) and (6) of the Act;

- (b) “**ultimate parent company**” shall be construed in accordance with paragraph 9 of Schedule 4 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (SI 2008/410);
- (c) “**subsidiary**” has the same meaning as in section 1159 of the Companies Act 2006; and
- (d) “**business**”, “**property**” and “**special administration order**” shall have the same meaning as in section 23 of the Act.

**Note:**

1. It is the responsibility of the Licensee to ensure that the undertaking required under paragraph 14 of the Standard Conditions of Water Supply Licences is legally enforceable.
2. There is no obligation on the Licensee to provide the Authority with the undertaking obtained from the ultimate parent company unless it is requested under paragraph 8 (Provision of information to the Authority).
3. The definitions in this form of undertaking reflect those in paragraph 14 of the Standard Conditions of Water Supply Licences and subsequent statutory changes (see section 1297 Companies Act 2006).