

**Thames Water Utilities Limited**  
("the Company")

**Strategy and Business Planning Committee**  
("the Committee")

**TERMS OF REFERENCE**

These Terms of Reference set out the specific responsibilities delegated by the Board to the Strategy and Business Planning Committee and details the manner in which the Committee will operate.

**1. Overview**

The main objective of the Committee is to assist the Board in reviewing any matters of significance affecting current and future strategy and business planning matters and the application of appropriate policies and practices.

The Strategy & Business Planning Committee will:

- (i) consider the future challenges to the business and such matters defining the long term corporate strategy;
- (ii) review and challenge the business planning process and assumptions; and
- (iii) have specific oversight for the regulatory price control submission process.

The Committee will advise the Board on matters falling within the scope of its responsibilities. Such advice may be in the form of minutes of its meetings, supporting papers and written and oral reports at Board meetings.

**2. Membership and Attendees**

- 2.1 Members of the Committee shall be appointed by the Board. The Committee shall comprise at least three Independent directors together with two further non-executive directors.
- 2.2 The external auditors may be invited to attend meetings of the Committee as and when required.
- 2.3 The Board shall appoint the chairman of the Committee who must be an Independent director. In the absence of a Committee Chairman the remaining Committee members present shall elect one of themselves to chair the meeting.
- 2.4 The Committee may invite any persons (including, but not limited to, any executive director or any member of the Executive team) to attend any meeting or parts of meetings.

**3. Secretary**

The Company Secretary or their nominee shall act as the secretary of the Committee.

**4. Quorum**

The quorum necessary for the transaction of the business of the Committee shall be three members, two of whom must be Independent directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

**5. Meetings**

The Committee shall meet at least three times a year at appropriate times in the regulatory price control and business planning cycles and otherwise as required.

## **6. Minutes of meetings**

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated to all members of the Committee and, once agreed, to all members of the Board as soon as practicable after such Committee meeting and in any event prior to the next meeting of the Board.

## **7. Duties**

The Board shall from time to time determine the terms of reference, scope, duties and powers of the Committee. The Committee shall undertake the duties set out below for the Company.

The Committee shall:

- 7.1 oversee the preparation, and recommend to the Board the approval, of:
  - (i) the company's strategy;
  - (ii) the company's future business plans;
  - (iii) the company's regulatory price control submissions.
- 7.2 oversee the preparation, and approve the submission, where appropriate, of:
  - (i) information associated with the regulatory price control process;
  - (ii) responses to regulators' consultations;
  - (iii) review the governance, policy and strategy of decisions with regulatory implications

## **8. Reporting Responsibilities**

- 8.1 The Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- 8.2 The Committee shall produce a report to be included in the Company's Annual Report on its activities.

## **9. Other Matters**

The Committee shall:

- 9.1. have access to sufficient resources to carry out its duties, including access to the Company's Secretariat for assistance as required.
- 9.2. give due consideration to laws and regulations as appropriate;
- 9.3. oversee any investigation of activities within these Terms of Reference; and
- 9.4. least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend to the Board for approval any changes it considers necessary.

## **10. Authority**

The Committee is authorised:

- 9.1 to seek any information it requires from any employee of the Group to perform its duties;
- 9.2 to seek independent legal or other professional advice, at the Company's expense, where it considers necessary to carry out its duties;
- 9.3 to call any employee to be questioned at a meeting of the Committee as and when required.

Approved by the Board on 27 June 2018

