

A3 - ROLE STATEMENT CHIEF EXECUTIVE

Responsible to: The Board of Kelda Holdings Ltd (“the Board”)

Responsibilities: To accept the key accountability for the performance of the Group.

To accept responsibility for the executive management (the “Kelda Management Team”) and senior management of the Company and to lead them in meeting the objectives agreed on an annual and continuing basis.

To establish appropriate and related objectives for the Kelda Management Team.

To ensure succession plans are put in place for the Kelda Management Team in conjunction with the Nomination and Remuneration Committees of Yorkshire Water Services Limited (“YW”).

To review the Company’s organisational framework and to ensure that policies relating to management selection, performance review, development and de-selection are operated on an agreed and consistent basis having regard to the need to motivate managers and ensure the Company operates in the upper quartile of management effectiveness and make recommendations for change as appropriate to the Board.

To devise the strategy and long-term objectives of the Group (the “Strategic Plan”), having regard to the requirements of shareholders, stakeholders and

investors taking full account of business threats and opportunities and the relative competitor comparison for discussion and agreement at the Board and, following approval, implement the budgets, risk profiles, strategy and objectives through leadership of the Kelda Management Team with guidance or direction given where appropriate.

To prepare a detailed business plan for the Company and its major operating subsidiaries that sets out the principal objectives to be achieved in meeting an agreed annual profit plan or budgets and related financial objectives.

Recommend to the Board an annual budget including sales/revenue/cost targets and operating plan and ensure their achievement following Board approval.

To ensure that there is an adequate reporting process which monitors the performance of the Company and its main subsidiaries on a monthly basis to enable appropriate corrective and other actions to be taken on a timely basis.

To monitor and review progress on the Strategic Plan on a quarterly or six-monthly basis or as is appropriate.

To liaise with the Chairman as appropriate on issues which relate to the Board and to keep the Chairman informed on all material matters relative to the performance of the Company and its strategic and market circumstances.

To ensure adequate standards of financial management and control taking account of the required standards of corporate governance and the particular requirements in relation to business risk management and processes.

To finalise and effectively monitor risk assessment processes within the businesses and those relating to investment policies and ensure compliance with procedures.

To ensure compliance with legal and regulatory requirements, and ensure that there are appropriate processes in place for communication with regulators.

To represent the Company as required in the industry and business community, the City, the Government, shareholders, stakeholders, potential investors and the general public.

To ensure that the Company has adequate plans and processes for communication with its stakeholder groups.