

A9 - KELDA MANAGEMENT TEAM (KMT) TERMS OF REFERENCE

FUNCTION The function of the KMT is to support the effective management of the Company.

DUTIES The principal duties of the KMT are to lead, monitor and supervise the management of the Group in pursuit of its vision and goals, reporting to the Board of the Company and making recommendations specifically including:

- to recommend objectives and strategy of the Group for consideration by the Board, having regard to the interests of its shareholders, employees, customers, suppliers, creditors and other stakeholders;
- to develop detailed business plans for all Group companies, setting out the principal business objectives, profit, capital expenditure and cash flow budgets for the year;
- to ensure that Group strategies and business plans are supported with the appropriate assets, capabilities and expertise and facilitate the delivery of excellent customer service;
- to monitor operating and financial performance;
- to monitor all statutory, regulatory, environmental and other qualitative measures of performance;
- to ensure the adequacy and integrity of management information and financial and all other reporting and control systems;
- to ensure the control, coordination and monitoring of risk within the Group;

- to scrutinise all major investment, divestment and capital expenditure proposals where not within the remit of the Board Investment Committee of Yorkshire Water Services Limited;
- to consider and, where appropriate, recommend all material alliances and partnership agreements as part of agreed outsourcing and joint venture arrangements;
- to ensure the provision of adequate management development and succession, to ensure that colleagues are inspired, engaged and highly motivated to deliver exceptional performance;
- to recommend and implement appropriate remuneration structures within business divisions; and
- to ensure the effective co-ordination and cooperation between business divisions, including the effective management of change.

**SPECIFIC
DUTIES/POWERS IN
RELATION TO
YORKSHIRE WATER
SERVICES LIMITED**

Except where company regulations or procedures specifically require matters to be authorised by the board of Yorkshire Water Services Limited, the KMT is empowered pursuant to Article 72 of the Articles of Association of Yorkshire Water Services Limited between board meetings and generally, to give effect to the strategy determined by the board of Yorkshire Water Services Limited and shall supervise the executive and operational management of Yorkshire Water Services Limited. Any power exercisable by the board of Yorkshire Water Services under this delegation may be exercised by the KMT but in any event such exercise of power must be formally recorded.

In the case of emergency or where it is impracticable to convene a board meeting or to obtain a written resolution of the board of Yorkshire Water Services Limited in accordance with its Articles of Association from time to time, and the interests of Yorkshire Water Services Limited would be prejudiced by delay, the KMT is to act as it then sees fit on behalf of the board of Yorkshire Water

Services Limited provided always that it shall take steps to contact all appropriate directors and, having done so, to take account of the views of those it was possible to contact before so acting. The KMT shall report any such actions and the reasons for taking them to the board of Yorkshire Water Services Limited as soon as practicable.

In exercising its duties and powers the KMT shall have regard to Condition F6A.5A of the Instrument of Appointment of Yorkshire Water Services Limited.

MEMBERSHIP

The members of the KMT shall be determined by the Chief Executive.

Others may be invited by the Chief Executive to attend all or part of any meeting.

CHAIR

The Chief Executive shall chair the KMT.

SECRETARY

The Company Secretary shall be the Secretary of the KMT.

QUORUM

The quorum shall be any two members of KMT.

FREQUENCY OF MEETINGS

The KMT shall meet as agreed by the Chief Executive.

MINUTES

The minutes of meetings of the KMT shall be circulated to all members of the KMT and, once agreed, to other members of the Board and the board of Yorkshire Water Services Limited.

REPORTING RESPONSIBILITIES

The Committee chair shall report formally to the Board on its proceedings on all matters within its duties.

The Terms of Reference of the Kelda Management Team will be reviewed annually to ensure that they are appropriate, relevant and support the work of the Committee and the Board.