

THAMES WATER UTILITIES LIMITED
(‘the Company’)
Customer Service Committee
(“the Committee”)

TERMS OF REFERENCE

1. Overview

The main objective of the Customer Service Committee is to advise the Board of the Company as provider of water and waste water services, of the needs and priorities of customers to ensure high quality, effective services are provided to the satisfaction of its customers, now and into the future.

For the purposes of the Committee customers are defined as all users of the Company’s services including retail, wholesale and developer customers as well as the wider community within which Thames Water operates.

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 Board shall appoint the Committee chairman, who must be either the Chairman of the Board or an independent director. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 2.3. No member of the Committee shall be entitled to vote in relation to him/herself or in relation to his/her appointment. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 2.4. The Committee may invite any persons (including the CEO, CFO and external advisers) to attend any meetings 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.

5. Meetings

The Committee shall meet at least twice a year 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, unless a conflict of interest exists.

7. Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting, in the event that such a meeting is held, and be prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

The main objectives of the Committee are to provide assurance, governance, support and challenge on delivering better outcomes for customers, customer engagement and communications encompassing but not limited to the following areas:

8.1. Customer Strategy

- 8.1.1. reviewing the development of the customer strategy reflecting the challenges faced by the Company now and in the future;
- 8.1.2. understanding the future ambitions of the Company and the drivers for change, including culture;
- 8.1.3. review and analysis of the potential options to achieving the Company goals; and
- 8.1.4. advising the Board on key issues, proposals for improvements and new initiatives.

8.2. Performance

- 8.2.1. Reviewing the current Company position and performance against regulatory commitments, industry comparators and external best practice companies;
- 8.2.2. focusing on customer satisfaction, incident management, leakage, resilience, complaint resolution, affordability and vulnerability; and
- 8.2.3. reviewing and advising on the approach and delivery of the customer commitments (e.g. in the Section 19 undertakings).

8.3. Customer Consultation and Engagement

Review and advise on the various communications routes with customers including:

- 8.3.1. future plans for formal representation via the Consumer Council for Water;
- 8.3.2. communication channels and contacts routes;
- 8.3.3. nature and content of subject areas and messaging;
- 8.3.4. consultation processes on strategic projects, initiatives and any regulatory undertakings; and
- 8.3.5. overseeing the customer engagement on the price review process.

9. Reporting Responsibilities

- 9.1. The Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. As the communication route for the Company's Customer Challenge Group ("CCG") to the Board, the Committee will keep the Board briefed on all relevant matters arising from the CCG.
- 9.3. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is needed.
- 9.4. The Committee shall produce a report to be included in the Company's Annual Report about its activities.

10. Other Matters

The Committee shall:

- 10.1. at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- 10.2. have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;

- 10.3. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members; and
- 10.4. give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of any other applicable rules, as appropriate.

11. Authority

The Committee is authorised:

- 11.1. to seek any information it requires from any employee of the Company in order to perform its duties; and
- 11.2. to seek independent legal or other professional advice, at the Company's expense, where it considers it necessary to carry out its duties.

Approved by the Board on 26 June 2019