



# Thames Water Utilities Limited

## Operational Oversight Committee Terms of Reference

January 2024

# Operational Oversight Committee

## Terms of Reference

These Terms of Reference set out the specific responsibilities delegated by the Board to the Operations Oversight Committee (the “Committee”) of Thames Water Utilities Limited (the “Company”) and detail the manner in which the Committee will operate.

### 1. Overview

- 1.1. The objective of the Committee is the provision of oversight and effective governance over:
- Operational performance across the Company;
  - Drinking water quality;
  - Pollution, Flooding and Leakage incidents;
  - The overarching Asset Management strategy, policies and resulting procedures and processes; and
  - Compliance with relevant statutory and regulatory obligations.

### 2. Membership

- 2.1. The Committee shall comprise at least three independent non-executive directors and up to two non-executive directors,
- 2.2. Members of the Committee shall be appointed by the Board, on recommendation of the Nomination Committee.
- 2.3. The Board shall appoint the Committee Chair who must be a non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 2.4. The Committee may invite any persons (including the CEO, CFO and external advisers) to attend any meetings or parts of meetings.
- 2.5. Each member of the Committee shall be entitled to one vote.
- 2.6. The Chair of the Committee shall not be entitled to a second or casting vote in the case of an equality of votes on any matter.

### 3. Secretary

- 3.1. The Company Secretary or their nominee shall act as the Secretary of the Committee.
- 3.2. The Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all such matters.

### 4. Quorum

- 4.1. The quorum for Committee meetings shall be three members, two of whom must be independent non-executive directors.

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### 5. Meetings

- 5.1. The Committee shall meet at least 4 times a year.
- 5.2. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members.
- 5.3. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded in electronic form to each member of the Committee, and any other person required to attend, no later than five working days before the date of the meeting. Relevant supporting papers shall be sent to Committee members and other attendees at the same time.
- 5.4. The attendance of any non-Committee person at the meeting shall be at the invitation of the Committee Chair.

### 6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and decisions of all committee meetings, including recording the names of those present and in attendance and the existence of any conflicts of interest.
- 6.2. Draft minutes of the Committee meetings shall be agreed with the Committee Chair and then circulated to all members of the Committee and once agreed, to all members of the Board.

### 7. Annual General Meeting

- 7.1. The Chair 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 duties of the Committee shall include:

- 8.1. Oversight, periodic review and assessment of the Company's Operational policies (including in respect of physical security), strategy, procedures, risks (including the monitoring of the operational principle risks) and performance to ensure all Company activities and those of the supply chain, are managed in accordance with the Company's risk framework for customers, members of the public, stakeholders, partners and colleagues, and in compliance with statutory and regulatory requirements.
- 8.2. Oversight, review and assessment of the Company's water quality performance and standards, ensuring compliance with statutory and regulatory requirements and that risks are adequately managed, reported and mitigated in line with the Company's risk framework.

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- 8.3. Oversight and periodic review of the Asset Management strategy, policies, material asset risks, procedures and performance to ensure Company activity and investment are consistent with the Company risk framework and operational plans and delivery.
- 8.4. Oversight of Service Delivery and Operational Performance in line with the targets, timescales and financial parameters in the Turnaround and Business Plans, and the requirements of Company regulators.
- 8.5. Oversight and periodic review of the Company's Operational Organisation, to include its structure, resourcing/capability, roles responsibilities and accountabilities and the supply chain strategy.
- 8.6. Oversight of the Operational Resilience, and performance of operational activities, ensuring appropriate action is taken in the event of significant underperformance or adverse trends and making recommendations to the Board for improvement as required.
- 8.7. Oversight of Operational Contingency and Incident Response capability to include the review and assessment of all major incidences (pollutions, flooding, leakage, spills) and the respective investigations.
- 8.8. Oversight of the Capital Delivery Major Projects programme and the and Operations Team delivery capability and capacity
- 8.9. Ensuring that communications with customers and stakeholders on matters relating to the remit of the Committee are open and transparent.

## 9. Reporting

- 9.1. The Committee shall report, through the Committee Chair, on its activities and how it has discharged its responsibilities to the Board after each committee meeting.
- 9.2. The Committee shall produce a report to be included in the Company's Annual Report on its activities.

## 10. Authority and Legal Advice

The Committee is authorised to:

- 10.1. Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required.
- 10.2. Obtain, at the company's expense, independent legal, accounting or other professional advice on any matter if it believes it necessary to do so.
- 10.3. Undertake any other duties as requested by the Board from time to time and to investigate any activities it deems necessary to carry out its duties and to seek information from any employee.
- 10.4. Give due consideration to all relevant laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of any other applicable rules, as appropriate.

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### 11. Terms of Reference and Performance

The Committee is authorised to:

- 11.1. At least annually, review its 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.
- 11.2. Ensure that a periodic evaluation of the committee's performance is carried out.
- 11.3. 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.

