

Matters for the Shareholders Approval

Thames Water Utilities Ltd ('TWUL' or the 'Company')

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	MATTERS FOR SHAREHOLDER APPROVAL
1.	STRATEGY AND BUSINESS PLAN
1.1	Approval, following recommendation by TWUL, of the Company's strategic aims and objectives
1.2	Approval, following recommendation by TWUL, of the Company's five year Business Plan, to include the Regulated and non-Regulated business and proposed borrowings, and any material deviations from it.
1.3	Material extension of the Company's activities into new non-regulated activities, businesses or geographic areas not included in the Company's agreed Business Plan.
1.4	Any decision to cease to operate all or any material part of the Company's current business not included in the Company's agreed Business Plan.
2	STRUCTURE AND CAPITAL
2.1	Changes relating to the Company's capital (including of shareholder loans and shareholder funded or guaranteed credit facilities), or corporate structure, including reduction and restructuring of capital, share issues (except under employee share plans), share buy backs including the use of treasury shares.
3	FINANCIAL REPORTING AND CONTROLS
3.1	Approval of the dividend policy following recommendation by TWUL.
3.2	Any change to the accounting reference date or material changes to accounting or tax policies, except as required by law or to satisfy a relevant financial reporting standard.
3.3	Approval of treasury policies, following recommendation by TWUL, including foreign currency exposure limits and the use of financial derivatives.
3.4	Approval of any material unbudgeted capital or operating expenditure, projects and contracts.
3.5	Approval of contracts of the Company or any subsidiary, including with a shareholder or any of its affiliates, that is not in the ordinary course of business included in the Company's agreed Business Plan.

3.6	Acquisition or disposal of a business, undertaking or assets, or of share capital, loan capital or other securities, or entry into a joint venture arrangement or cost or profit sharing arrangement, not included in the agreed Business Plan.
4	BOARD MEMBERSHIP AND OTHER APPOINTMENTS
4.1	The appointment of the Chairman, Independent Non-Executives and Executive Directors to the Board of the Company, in each case, following recommendation by TWUL.
4.2	The appointment of Directors (other than appointments under 4.1 above) to the Board of the Company, and the removal of Directors
4.3	Appointment, reappointment or removal of the external auditor, following recommendation by TWUL.
5	REMUNERATION POLICY
5.1	Approval of the remuneration policy following recommendation by TWUL.
5.2	The introduction of new share incentive plans or major changes to existing plans as recommended by TWUL.
6	MATERIAL REGULATORY MATTERS
6.1	Any submission made as part of a periodic or interim price review which is material to the Company's current approved or subsequent Business Plan, or any decision to respond (or not respond) to Ofwat, or other relevant government body, in connection with any material regulatory matter or proposal, including license modifications that directly affect shareholders.
6.2	Any decision to appeal (or not appeal) a periodic or interim price review;
6.3	Any action that may result in the corporate family rating of the debt of the Company or any subsidiary of the Company ceasing to be investment grade or any other action which may result in termination of the Company's Instrument of Appointment
7	OTHER
7.1	Any change to the agreed policy of not making any political donations.

7.2	Admission of liability, the terms of any settlement or proposed remedial action (including voluntary financial contribution) relating to litigation, employee related matters (such as pensions), contractors, and health and safety and the environment laws and regulation up to a threshold of £20m or likely to have a material adverse impact on the reputation of the Company or its shareholders.
7.3	Approving the voluntary winding up of the Company or commencing special administration or other insolvency process, other than where reasonably required to avoid the Company or its directors breaching applicable insolvency or similar laws.
7.4	Any change to this schedule of matters reserved for shareholder approval.