



# Thames Water Utilities Limited

Nomination Committee  
Terms of Reference

June 2023

# Nomination Committee

## Terms of Reference

These Terms of Reference set out the specific responsibilities delegated by the Board to the Nomination 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 main objectives of the Committee are to keep under review the size and composition of the Board, consider appropriate nominations to the Board, and assist in succession planning amongst the Board and the senior management team.

### 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.

2.3. The Board shall appoint the Committee Chairman who must be either the Chairman of the Board or an independent non-executive 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.

2.4. 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. 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.

2.7. The Chairman 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 an independent non-executive director.

### 5. Meetings

5.1. The Committee shall meet at least twice a year and otherwise as required.

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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 Chairman.

## 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.

Draft minutes of committee meetings shall be agreed with the Committee Chairman 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 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 Committee shall carry out its duties for the Company as a whole and review, advise and make recommendations to the Board, as appropriate, as follows:

- 8.1. regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- 8.2. ensure plans are in place for orderly succession to board and senior management positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future.
- 8.3. before any appointment of an independent director is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - 8.3.1. use open advertising or the services of external advisers to facilitate the search;
  - 8.3.2. consider candidates from a wide range of backgrounds; and

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- 8.3.3. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position.
- 8.4 prior to the appointment of an independent director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 8.5 ensure that on appointment to the Board, independent directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;
- 8.6 review the results of the Board performance evaluation process that relate to the composition of the Board; and
- 8.7 review annually the time required from independent non-executive directors. Performance evaluation should be used to assess whether the independent non-executive directors are spending enough time to fulfil their duties.
- 8.8 review annually any conflicts of interest authorisations given by the Board to check it is appropriate for the relevant matters to remain authorised and the Directors Conflicts of Interest Register, and the Board Conflict of Interest Policy or its equivalent
- 8.9 The Committee shall also make recommendations to the Board concerning:
  - 8.9.1 formulating plans for succession for both executive and independent directors and in particular for the key roles of Chairman, CEO and CFO;
  - 8.9.2 suitable candidates for the role of Senior Independent Director;
  - 8.9.3 the re-appointment of any independent director at the conclusion of their specified term of office, having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
  - 8.9.4 the re-election by shareholders of independent directors under the annual re-election provisions of the UK Corporate Governance Code (the "Code") or the retirement by rotation provisions in the Company's Articles of Association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board; and
  - 8.9.5 any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract.

## 9. Reporting

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- 9.1. The Committee shall report, through the Committee Chairman, 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 about its activities and the process used to make appointments, and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the Annual Report and a statement made as to whether it has any connection with the Company; and
- 9.3. the report referred to in 9.2 above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives and the gender balance of those in the senior management team and their direct reports.

## 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 any other applicable rules, as appropriate.

## 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.

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### Version control

Version	Date Approved	Comments (amendments)
1.0	June 2018	Approved by TWUL board
2.0	March 2022	Approved by TWUL board (formatted onto new template. Minor amendments).
3.0	June 2023	Approved by TWUL board

