

## **Wessex Water Services Limited**

### **Roles of the Chairman, Group Chief Executive, Executive Directors and Senior Independent Director**

#### **1. Chairman**

1.1 The Chairman is responsible for leadership of the Board and its overall effectiveness. In particular, the Chairman will:

- (a) Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
- (b) Ensure effective communication with shareholders, regulators and other relevant stakeholders and that the views of these groups are understood by the Board.
- (c) In conjunction with the Group Chief Executive, Executive Directors and Senior Independent Director, set an agenda, which is primarily focused on strategy, performance, social purpose, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board.
- (d) Ensure that the Board determines the nature and extent of the significant risks the Company is willing to embrace in the implementation of its strategy, and that the Board reviews on an ongoing basis the effectiveness of risk management and internal control systems.
- (e) Set the style and tone of Board discussions to promote open, constructive debate and effective decision-making.
- (f) Manage the Board to ensure that adequate time is allowed for discussion of all agenda items (in particular strategic issues) and to ensure that complex or contentious issues are dealt with effectively, making sure in particular that independent non-executive directors have sufficient time to consider them.
- (g) Ensure that Board members receive accurate, timely and clear information, in particular about the Company's performance.
- (h) Ensure appropriate delegation of authority from the Board to executive management.
- (i) Ensure that all Board Committees are properly established, composed and operated.
- (j) Lead the Nominations Committee and build an effective and complementary Board, regularly considering its composition and balance, diversity, including gender, and succession planning for Board and senior management appointments.
- (k) Work with the Remuneration Committee on proposals for the remuneration of the executive directors and senior managers.
- (l) Ensure proper disclosure in the annual report of information about the Company's Board appointment process including a description 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. The disclosure should also include a description on the search and nomination process.

- (m) Ensure a comprehensive and tailored induction programmes for new directors.
- (n) Ensure the directors continually update their skills and their knowledge and familiarity with the Company (including through site visits) as required to fulfil their role both on the Board and on-Board Committees.
- (o) Review at appropriate intervals and agree with each director their training and development needs and address the needs of the Board as a whole.
- (p) Work with the Group Chief Executive in the development of strategy and, more broadly, to support and advise the Group Chief Executive.
- (q) Maintain access to senior management as is necessary and useful, but not intrude on the Group Chief Executive's responsibilities.
- (r) Promote effective relationships and communications between non-executive directors, executive directors and senior managers.
- (s) Ensure that the performance and effectiveness of the Board, its main committees and individual directors is formally evaluated on an annual basis and that there is an externally facilitated evaluation every three years. Any evaluation should consider the balance of skills, experience, independence, knowledge of the Company on the Board, its diversity (including gender), how the Board operates as a unit and any other factors relevant to its effectiveness.
- (t) Act on the results of the performance evaluation by recognising the strengths and addressing the weaknesses of the Board and, where appropriate, proposing new members be appointed to the Board or seeking the resignation of directors.
- (u) Ensure effective communication with stakeholders, regulators and customers in compliance with the Board's s172 (Companies Act 2006) duties.

## **2. Group Chief Executive**

2.1 The Group Chief Executive is responsible for leadership of the Group and the development and implementation of strategy. In particular, the Group Chief Executive will:

- (a) Develop an organisational structure and establish processes and systems to ensure the efficient organisation of resources.
- (b) Lead the Executive Directors and Senior Management in the day-to-day running of the Company, including the development of performance targets for senior management, chairing the Wessex Water Executive Leadership Team and communicating its decisions/recommendations to the Board.
- (c) Develop and promote effective communication with the Company's shareholder and other relevant stakeholders.

- (d) Establish a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate.
- (e) Keep the Chair promptly informed on all matters that may be of importance to the Board or of which the Board should be aware.
- (f) Maintain regular contact with the Chairman to review issues, opportunities and problems.
- (g) Chairing the Board in the absence of the Chairman.
- (h) Implement the decisions of the Board.

### **3. Executive Directors**

3.1 The Executive Directors are responsible to the Group Chief Executive for leadership of the Company, managing it within the authorities delegated by the Board. In particular, they will:

- (a) Develop strategy proposals for recommendation to the Board and ensure that agreed corporate strategy actions are reflected in the business.
- (b) In conjunction with the Executive Director Finance and Regulation, develop an annual budget and funding plan consistent with agreed corporate strategies, for presentation to the Board for approval. This should include developing processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps taken to manage the risks.
- (c) Be responsible to the Board for the performance of the business consistent with agreed business plans, corporate strategies and policies and keep the Board as a whole updated on progress made against such agreed plans, corporate strategies and policies.
- (d) Plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans and ensure that robust management succession and management development plans are in place and presented to the Board from time to time.
- (e) Ensure that financial results, business strategies and, where appropriate, targets and milestones are communicated to the shareholder and where appropriate Regulators and other stakeholders.
- (f) Ensure that business is conducted in accordance with the Company's policy on business ethics.
- (g) Ensure that the flow of information to the Board is accurate, timely and clear.
- (h) Ensure that reporting lines within the Company are clearly established and are effective.
- (i) Ensure that management put procedures in place to ensure compliance with all relevant legislation and regulation.

- (j) Develop and maintain an effective framework of internal controls including risk management in relation to all business activities.
- (k) Ensure that the Company has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements.
- (l) Support the Group Chief Executive in developing and promoting effective communication and relationships with the Company's shareholder and Chairman.
- (n) Ensure that adequate arrangements exist to manage the health, safety and wellbeing of staff, contractors, and customers.

#### **4. Senior Independent Non-Executive Director**

4.1 The Senior Independent Non-Executive Director role includes:

- (a) Working closely with the Chairman, acting as a sounding board and providing support.
- (b) Acting as an intermediary for other directors as and when necessary.
- (c) Being available to the shareholder, other non-executive directors and other stakeholders to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication.
- (d) Meeting at least annually with the non-executive directors to review the Chairman's performance and any requirement for succession planning.
- (e) Supporting the annual Board performance review.
- (f) For such period as the Chairman of the Company is a shareholder appointment to act, in accordance with the requirements of the OFWAT Principles and the Company's Code of Practice for Corporate Governance, as the principal contact for OFWAT in regulatory matters that would otherwise have been referred to the Chairman.

#### **Change History Record**

<b>Issue</b>	<b>Description of Change</b>	<b>Approval</b>	<b>Date of Issue</b>
1	Issued as a standalone document	Board	February 2018
2	Reviewed and updated	Board	March 2021
3	Reviewed	Board	March 2022