

Matters Reserved for the Board of Yorkshire Water Services Limited

30 June 2026

Introduction

These are the matters that are reserved for the Board of Yorkshire Water Services Limited. These matters have been determined with reference to the following:

- Companies Act 2006
- The Articles of Association of Yorkshire Water Services Limited – June 2026
- UK Corporate Governance Code – January 2024
- Wates Corporate Governance Principles for Large Private Companies – December 2018
- Ofwat Board Leadership, Transparency and Governance Principles – January 2019
- Shareholders' Agreement – June 2026
- Instrument of Appointment of Yorkshire Water Services Limited – February 2020
- ICSA Standard Matters Reserved for the Board

In addition to the matters set out in this document, the Shareholders' Agreement also states in section 4.51: *"Each Director and each Observer of [Yorkshire Water Services Limited] will have the right to refer any matter which is being considered by the Board of [Yorkshire Water Services Limited] for the consideration by the Board of Directors [of Kelda Holdings Limited]."*

The Board has the authority to delegate any of the Matters Reserved for the Board to sub-committees of the Board, as it sees fit.

Definitions

Business Plan	The business plan for the Company relating to the current financial year and any subsequent financial years within the current Asset Management Period, to be updated annually.
Company	Yorkshire Water Services Limited
Group	Kelda Holdings Limited and all its subsidiary companies, including Yorkshire Water Services Limited.
Shareholders' Agreement	The agreement between Kelda Holdings Limited, Epsom Investments PTE Limited, Nubia Investment PTE Limited, New South Wales Treasury Corporation, and Glacier Lux Topco SARL, dated 30 June 2026.

Schedule of Matters Reserved for the Board

		Requires Approval from the KHL Board
1. Leadership, Strategy and Management		
1.1	Responsibility for the overall leadership of the Company.	No
1.2	Approval of the Company's purpose, values and strategy, for inclusion in the Group's purpose, values and strategy.	At a Group level only
1.3	Approval of the Company's annual operating and capital expenditure budgets and Business Plan and any changes to them or the taking of any action inconsistent with them. Any of the foregoing at a Group level require escalation to the Board of Kelda Holdings Limited.	At a Group level only
1.4	Oversight of the Company's operations, ensuring: • Competent and prudent management; • Sound planning; • The maintenance of sound management, internal controls and risk management systems; • Adequate accounting and other records; and • Compliance with statutory and regulatory obligations.	No
1.5	Matters having a potentially material impact on the future financial performance of the Company. Matters that are material to the Group must also be escalated to the Board of Kelda Holdings Limited.	Potentially
1.6	Significant changes relating to the organisational and operational structure of the Company, including the management and control structure. Changes at a Group level require escalation to the Board of Kelda Holdings Limited.	At a Group level only
1.7	Matters of public policy which are not statutory or regulatory obligations – for example, fluoridation policy or metering policy.	No

1.8	Consideration of any recommendation to the Board of Kelda Holdings Limited in relation to: • ceasing to operate all or any material part of the Company's business, including any fundamental change in the existing line of business; • any sale of all or substantially all the assets of the Company to any entity which is not a member of the Group; or • the commencement of any new line of business outside of the transportation and treatment of water and waste or in a new geographic area.	Yes
2. Structure, Capital, Funding and Investments		
2.1	Consideration of any of the following for escalation to the Board of Kelda Holdings Limited: • the allotment of equity securities (or securities exchangeable or exercisable for, or convertible into, equity securities); • any repurchase or redemption of equity securities; • the exercise, or material modification of the terms of, any option held by Yorkshire Water Services Limited to acquire equity securities or assets from a person other than a wholly owned subsidiary of Kelda Holdings Limited (this requires escalation only if the aggregate consideration exceeds £50 million); or • other than in accordance with the Financing Policy, the creation, assumption, guarantee, refinancing or prepayment of any indebtedness or derivatives liability, or the granting of an encumbrance over Yorkshire Water Services Limited or its assets in connection with any indebtedness or derivatives liabilities, or any material amendment to such (this requires escalation to the Board of Kelda Holdings Limited only if the value is in excess of £50 million).	Yes – if over the defined value limits
2.2	Recommendation of the adoption of, and any material changes to, the investment or underwriting guidelines of Yorkshire Water Services Limited prior to escalation to the Board of Kelda Holdings Limited.	Yes
2.3	Consideration of any factoring of any of the debts of Yorkshire Water Services Limited prior to escalation to the Board of Kelda Holdings Limited.	Yes

2.4	Any hire purchase, rental or leasing agreement the total capital cost of which, or when aggregated with all other such commitments already entered into by Yorkshire Water Services Limited, will be at any time in excess of the amount provided for in the budget. This requires escalation to the Board of Kelda Holdings Limited.	Yes
2.5	Any acquisition or disposal (whether in a single transaction or series of transactions) of any business (or any material part of any business) or any shares in any undertaking. (This requires escalation to the Board of Kelda Holdings Limited where the aggregate value exceeds £50 million).	Potentially
2.6	The entry into any joint venture arrangement. (This requires escalation to the Board of Kelda Holdings Limited where the capital contribution required is in excess of £25 million.)	Potentially
2.7	The establishment of any new legal entity. (The creation of any non-wholly owned subsidiary requires escalation to the Board of Kelda Holdings Limited).	Potentially
3. Financial Reporting, Risks and Controls		
3.1	Any capital expenditure in excess of £20 million (total projected expenditure over the life of the relevant project or projects) that is outside the approved budget or Business Plan. Any capital expenditure in excess of £75 million (calculated by reference to the total projected expenditure over the life of the relevant project or projects) that is outside the approved budget or Business Plan also requires approval by the Board of Kelda Holdings Limited.	Potentially
3.2	The interim and full-year Annual Report and Financial Statements for Yorkshire Water Services Limited, as well as the Annual Performance Report and any other statutory or regulatory statements or returns.	No
3.3	Recommendation of any declaration or payment of dividends or other distributions by Yorkshire Water Services Limited.	No
3.4	Approval of the risk appetite statement for the Company and oversight of the effectiveness of the Company's risk and control processes, including the framework to identify emerging risks to the Company.	No
3.5	Approving the nature and extent of the principal risks the Company is willing to take.	No

3.6	Any matters that may reasonably be expected to result in a material change to the credit risk being taken by the Company.	No
4. Regulatory Matters		
4.1	Material submissions to Ofwat, or discussions with Ofwat, in relation to the Company's Instrument of Appointment. These require escalation to the Board of Kelda Holdings Limited if it might reasonably be expected to result in a need for Kelda Holdings Limited and / or a member of the Group to raise additional equity finance.	Potentially
4.2	Consideration of any rejection of a recommendation or decision of Ofwat regarding pricing proposals, for escalation to the Board of Kelda Holdings Limited.	Yes
4.3	Consideration of any material regulatory intervention in the affairs of Yorkshire Water Services Limited or any matter expected to lead to prosecution by a regulatory body. Any material matters from a Group perspective in this regard require escalation to the Board of KHL.	Potentially
4.4	Approval of the regulatory charges schemes and tariffs.	No
5. Contracts		
5.1	Approval of revisions to the Procurement Rules or Delegation Scheme of Yorkshire Water Services Limited.	No
5.2	Review of material contracts of Yorkshire Water Services Limited and / or its subsidiaries, which are not in the ordinary course of business for escalation to the Board of Kelda Holdings Limited.	Yes
5.3	The entry into, or amendment of, any contractual arrangements by Yorkshire Water Services Limited which are material from a Group perspective.	Yes
5.4	Approval of any company guarantees above £1 million.	No
5.5	The initiation, settlement or waiver of significant litigation, arbitration or other dispute resolution procedure. Anything material from a Group perspective - financially, reputationally or operationally - requires escalation to the Board of Kelda Holdings Limited, including any proposed settlements in excess of £25 million.	Potentially

6. Corporate Governance Matters		
6.1	Review of any proposed alteration to the constitutional documents of Yorkshire Water Services Limited for recommendation to the Board of Kelda Holdings Limited. These include: • The Memorandum of Association • The Articles of Association • The name of the company	Yes
6.2	Recommendation to the Board of Kelda Holdings Limited for the creation of any Board Committee for Yorkshire Water Services Limited, or any change to the scope or authority of any such Committee.	Yes
6.3	Approving the Terms of Reference for the Board Committees for Yorkshire Water Services Limited and approving any material changes.	No
6.4	Recommendation of the appointment, retention, change or removal of the independent auditor of Yorkshire Water Services Limited, to the Board of Kelda Holdings Limited.	Yes
6.5	Determination of the fee to be paid to the independent auditor for Yorkshire Water Services Limited.	No
6.6	Authorising conflicts of interest for the Directors of Yorkshire Water Services Limited, where permitted by the Articles of Association.	No
6.7	This schedule of Matters Reserved for Board approval.	No
7. Board Membership and Other Appointments		
7.1	Changes to the structure, size and composition of the Board of Yorkshire Water Services Limited.	Yes
7.2	Recommendation of the appointment or removal (and termination of the employment) of the Executive Directors of Yorkshire Water Services Limited and the appointment, removal or extension of the Term of Appointment of the Chair and Independent Non-Executive Directors of Yorkshire Water Services Limited.	Yes
7.3	Appointment of the Senior Independent Director to provide a sounding board for the Chair and to serve as intermediary for the other Directors when necessary.	No
7.4	Appointments to and removals from the membership and Chairship of Board Committees.	No

7.5	The appointment or removal of the Company Secretary of Yorkshire Water Services Limited.	No
7.6	Approval of any proposed appointment of an Executive Director to a Non-Executive Director position in another company.	No
8. Remuneration		
8.1	Approval of the Remuneration Policy, and any material changes thereto, for the Executive Directors, Non-Executive Directors and Chair, for escalation to the Board of Kelda Holdings Limited for approval.	Yes
8.2	The setting of, or any amendment to, the remuneration of any Director of Yorkshire Water Services Limited within the approved Remuneration Policy.	No
8.3	Approval of the remuneration in relation to Band 0 and Band 1 colleagues within the Company.	No
8.4	Recommendation to the Board of Kelda Holdings Limited of any payments to current or past directors of Yorkshire Water Services Limited, which would fall outside the approved Remuneration Policy.	Yes
8.5	Recommendation to the Board of Kelda Holdings Limited for new employee incentive plans of the Company, or any material changes thereto.	Yes
8.6	The establishment of new pension schemes, major changes in the rules of any pension schemes or a change of trustees for Yorkshire Water Services Limited. Group pension schemes require approval by the Board of Kelda Holdings Limited.	Potentially
9. Communication		
9.1	The approval of press releases or external announcements, including stock exchange announcements, concerning matters which have been decided by the Board, or which may have a material impact on reputation.	No
9.2	The approval of the Modern Slavery Act statement published annually on the Yorkshire Water Services Limited website.	No

10. Policies		
10.1	The adoption of the following Company policies, or any material changes thereto: • Environmental Policy* • Treasury Policy* • Health and Safety Policy* • Code of Ethics* • Auditor Independence Policy* • Competition Law Compliance Policy* • Financing Policy* • Diversity and Inclusion Policy • Board Appointments Policy • Speaking Up Policy • Risk and Assurance Policy *The Group policies for these matters also require approval from the Board of Kelda Holdings Limited.	Potentially
10.2	Approval of any significant changes in accounting policies or practices for Yorkshire Water Services Limited. Matters impacting on the consolidated Financial Statements require referral to the Board of Kelda Holdings Limited for approval.	Potentially
10.3	Approval of the tax strategy for the Company and the related risk management strategy and framework.	No
10.4	Any changes to the overall level of Directors' and Officers' liability insurance or significant changes to the cover held. Any changes to the Group level also require approval from the Board of Kelda Holdings Limited.	Potentially
11. Other		
11.1	Any political donations made by Yorkshire Water Services Limited.	No

11.2	• Any admission by the Company of its inability to pay its debts as they fall due, or the suspension of payment on any of its debts (other than where it is disputing such payment in good faith) or the announcement of its intention to do so; • Any step by the Company with a view to a composition, moratorium, assignment or similar arrangement with any of its creditors; • Any convening of a meeting for the purpose of considering any resolution for, or any proposal to petition for, or to file documents with the court for, the winding up, administration (whether out of court or otherwise) or dissolution of the Company or any such resolution being passed; • Any assistance in the presentation of, or any failure to oppose in a timely manner a petition for, the winding up, administration (whether out of court or otherwise) or dissolution of the Company; • Any request for the appointment of, or the giving of any notice of their intention to appoint, or the taking of any step with a view to appointing a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator (whether out of court or otherwise) or similar officer; or • Any other voluntary action by the Company in furtherance of its liquidation, administration (out of court or otherwise), reorganisation, recapitalisation or dissolution or the termination of its corporate status.	Yes