

THE TREASURY COMMITTEE: TERMS OF REFERENCE

(Re-adopted by the board on 23 July 2020)

1. There shall be a committee of the board known as the treasury committee (the “Committee”).
2. The Committee shall comprise a non-executive director appointed, by the Board following consultation with the Nomination Committee, who shall be Chairman of the Committee and the Chief Financial Officer, together with the Treasurer (or in his absence the Deputy or Assistant Treasurer (as designated)). If either the Chairman of the Committee and/or the Chief Financial Officer is unable to attend a meeting of the Committee each shall be entitled to appoint any other director of the Company to be an alternate member of the Committee for the duration of the meeting providing always that the Chairman of the Board or another non-executive director will always be the Committee Chairman, if the Committee chairman is not available. For the avoidance of doubt, all directors of the Company shall be at liberty to attend any meetings of the Committee as they see fit.
3. The quorum shall be any two directors (or their duly appointed alternates).
4. The Company Secretary (or in his absence an appointee agreed with the Chairman of the Committee) shall be the secretary to the Committee and shall keep appropriate minutes of its proceedings which will be circulated to all members of the board.
5. Meetings shall be held as required but shall be held at least three times a year.
6. The Committee is authorised to take such internal and external advice as it shall consider necessary or appropriate in connection with the carrying out of its powers.
7. The Committee shall exercise the powers delegated to the Committee by the board under the Committee’s Terms of Reference, or in respect of any resolutions passed by the board in relation to the annual treasury update (as approved by the board from time to time), or otherwise as specifically approved by the board. The Committee shall provide oversight in relation to the activities of the treasury function in implementing the strategies and policies approved by the board or (as applicable) the Committee. Furthermore, the Committee shall consider and (as applicable) approve or recommend strategies and policies to the board in relation to areas of treasury management including (but not limited to):
 - i) hedging and management of interest rate, inflation, currency, credit and energy exposures;
 - ii) financing opportunities (including developments in debt capital markets);
 - iii) rating agency developments;
 - iv) liquidity management and forecasting;
 - v) creditor investor relations;
 - vi) bank relationships; and
 - vii) treasury internal control and governance policies including changes to the Treasury Policies Manual.
8. The specific powers set out in the appendix hereto are delegated to the Committee. The Committee shall have the power to sub-delegate any of these powers to any named member or members of the Committee, in each case acting alone, who shall have authority to pass resolutions on behalf of and with the authority of the Committee by instrument in writing. All executed instruments entered into under such delegated authority shall be entered into the Committee minute book and reported to the next duly convened meeting

UNITED UTILITIES GROUP PLC: TERMS OF REFERENCE HANDBOOK
of the Committee.

Appendix

UNITED UTILITIES GROUP PLC (the “Company”)

Delegated powers of the treasury committee:-

1. To appoint and terminate the appointment of money transmission banks, relationship lending banks, hedging counterparties, money managers or money brokers and futures (or other centrally cleared instruments) brokers to the Company or (as applicable) any of its subsidiaries.
2. To approve the format and authorise the issue of the Company's mandate to its money transmission banks, relationship lending banks, hedging counterparties, underwriters, money managers, dealers and brokers and to authorise changes thereto, provided that a resolution passed pursuant to this authority must require that any such issue or change to the Company's mandate and related appendix shall be communicated to the external party in writing, duly signed by at least two authorised signatories.
3. To authorise the opening and closing of bank accounts on behalf of the Company or (as applicable) any of its subsidiaries.
4. To: <ul style="list-style-type: none"> (a) enter into on behalf of the Company; and/or (b) approve on behalf of the Company's UK subsidiary and associated undertakings; and/or (c) note in respect of the Company's overseas subsidiary and associated undertakings; borrowing, leasing, bonding and any other banking facilities.
5. To enter into such transactions and to exercise such of the borrowing powers of the Company as may be necessary from time to time in connection with any borrowings of the Company.
6. To approve and authorise the issue of the Company's guarantee, indemnity or comfort letter, as appropriate, in connection with the borrowings and obligations <ul style="list-style-type: none"> (a) of the Company; and/or (b) any of its subsidiary or associated undertakings; and/or (c) of any other entity or person for amounts not exceeding £5 million (or its equivalent in currency).
7. To: <ul style="list-style-type: none"> (a) approve on behalf of the Company's UK subsidiary or associated undertakings; and/or (b) note on behalf of the Company's overseas subsidiary or associated undertakings; the giving of guarantees, indemnities or comfort letters.
8. To enter into agreements to govern transactions entered into or to be entered into by the Company, or (as applicable) any of its subsidiaries, for the purposes of managing its credit, interest rate, inflation, currency or energy hedging policies or exposures.
9. To approve specific treasury hedging programmes designed to implement or maintain the Group's interest rate management strategy as determined by the board from time

UNITED UTILITIES GROUP PLC: TERMS OF REFERENCE HANDBOOK

to time, including the use of interest rate, inflation (or real rate), basis and cross- currency swaps, financial futures, and/or government bonds.
10. To approve specific treasury hedging programmes designed to manage the Group's currency exposures (including any board approved investments denominated in foreign currencies), including the use of spot and forward contracts, foreign exchange swaps and/or currency options.
11. To approve the use of financial instruments designed to implement or maintain the Group's electricity hedging strategy as determined by the board from time to time, including the use of energy derivatives.
<p>12. To:</p> <ul style="list-style-type: none"> (a) approve on behalf of the Company; and/or (b) approve in respect of the Company's UK subsidiary or associated undertakings; and/or (c) to note in respect of the Company's overseas subsidiary or associated undertakings; <ul style="list-style-type: none"> (i) the establishment or acquisition (for a nominal consideration) of subsidiaries or (subject, where required, to the board's approval) associated undertakings; (ii) the intra-group transfer of assets or shares or other securities; (iii) the waiver of intra-group debts or dividends; (iv) the making or acceptance of intra-group loans; and (v) the issuing of shares or other equity-like securities (including but not limited to preference shares), EXCEPT in relation to the issue of shares or equity-like securities by the Company which shall be a matter reserved for the board.
13. To approve all matters that the Committee is empowered by the board to settle under the Committee's Terms of Reference or in respect of any resolutions passed by the board in relation to the annual treasury update (as approved by the board from time to time) or otherwise as specifically approved by the board and delegated to the Committee.
14. To approve any changes considered necessary or appropriate to the Treasury Policies Manual.
<p>15. For the avoidance of doubt, the Committee shall not have the following powers which are reserved exclusively for decision by the board, unless specifically delegated to the Committee under the annual treasury update (as approved by the board from time to time) or such other express authorities delegated by the board:</p> <ul style="list-style-type: none"> (a) to approve or terminate the appointment of the bank which provides the Group's principal money transmission (clearing bank) services; (b) to enter into or approve any single transaction or obligation exceeding £250 million or a series of related transactions which when aggregated exceed £250 million, except in respect of the making or acceptance of any intra- group loans, where the Committee's delegated powers shall apply without monetary limit. For the avoidance of doubt, any single transaction or series of related transactions contemplated under the delegated powers of the Committee conferred by way of the annual treasury update (as approved by the board from time to time) shall also apply without monetary limit, provided such transactions are within any applicable aggregate limits and/or policies specified therein; (c) to provide any security or charge over the assets of the Company or any

subsidiary and associated company other than (i) in respect of intra-Group transactions; or (ii) a banker's right of set-off in connection with cash pooling arrangements involving other subsidiary and associated companies; or (iii) a hedging counterparties right of set-off in connection with any credit support arrangements in respect of derivatives transactions; or

- (d) to establish or acquire a subsidiary or associated undertaking which is an unlimited liability undertaking or provide an unlimited guarantee in respect of the company.

UNITED UTILITIES GROUP PLC: TERMS OF REFERENCE HANDBOOK

Individual Delegated Authorities

(Note the below numerical references should be cross-referenced to the “Delegated powers of the treasury committee” set out in the Appendix to the Terms of Reference of the Treasury Committee).

Chief Financial Officer	Treasurer
Items	Items
1 - delegated	1 - delegated
2- delegated	2 - delegated
3 - delegated	3 - delegated
4 - delegated (not exceeding £250 million)	4 - delegated (not exceeding £100 million)
5 - delegated (not exceeding £250 million)	5 - delegated (not exceeding £100 million)
6 - delegated in relation to 6(a) and 6(b) only (not exceeding £250 million) or in respect of non-regulated business not exceeding £5m	6 - delegated in relation to 6(a) and 6(b) only (not exceeding £100 million) for regulated business only
7 – delegated or in respect of non-regulated business not exceeding £5m	7 – delegated for regulated business only
8 - delegated	8 - delegated
9 - delegated	9 - delegated
10 - delegated	10 - delegated
11 – delegated	11 – delegated
12 - delegated	12 – delegated in relation to 12(iv) only
13 - delegated (not exceeding £250 million)	13 - delegated (not exceeding £100 million)
14 – N/A*	14 – N/A*

* Item 14 (approving changes to the Treasury Policies Manual) is a matter reserved for approval by the Treasury Committee only.