

**Southern Water Services Limited Information Security Committee
(the “Committee”)**

Terms of Reference

1. Membership

- 1.1. The Committee shall comprise at least three members, of whom a majority shall be non-executive directors.
- 1.2. Members of the Committee shall be appointed by the board, on the recommendation of the Nomination Committee in consultation with the chair of the Committee
- 1.3. Only members of the Committee have the right to attend Committee meetings. However, Executive Leadership Team members, external advisers and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.4. The board shall appoint the Committee chair. The Committee chair shall be a non-executive director. In the absence of the Committee chair and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

2. Secretary

- 2.1. The company secretary, or his/her nominee, shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two members and at least half of the members in attendance (including participation via electronic, telephonic or similar means) must be non-executive directors.

4. Frequency of Meetings

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

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be convened by the secretary of the Committee at the request of the Committee chair.
- 5.2. Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than five working days before the date of the meeting. Where possible, supporting papers shall be sent to Committee members at the same time.
- 5.3. Notices, agendas and supporting papers can be sent in electronic form.

6. Minutes of Meetings

- 6.1. The secretary or his/her delegate shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2. Draft minutes of Committee meetings shall be agreed with the Committee chair and then circulated promptly to all members of the Committee, unless it would be inappropriate to do so in the opinion of the Committee chair.

7. Scope

- 7.1. The scope of the Committee’s role shall be limited to consideration of matters relating to:

7.1.1. the Company's management of risks associated with:

- 7.1.1.1. the EU Directive on security of network and information systems (NIS Directive);
and
- 7.1.1.2. the EU General Data Protection Regulation (GDPR); and

7.1.2. the Company's management of other information security risks.

7.2. The scope of the Committee's role shall not, for the avoidance of doubt, include business continuity or the resilience of the Company's information technology infrastructure, except to the extent that these areas include an element of information security risk management.

8. Duties

8.1. The Committee should have oversight of the group as a whole and, unless required otherwise by regulation, carry out the duties below for Southern Water Services Limited and its subsidiary undertakings.

8.2. The Committee shall:

- 8.2.1. inform the board's strategy and decisions through advice on corporate / strategic information security regulation priorities, capacity, capabilities and key projects;
- 8.2.2. oversee and advise the board on the current risk exposures of the company in respect of information security, and in doing so, work in conjunction with the company's Risk Committee;
- 8.2.3. review and monitor the company's compliance with legislative and/or regulatory requirements in respect of information security;
- 8.2.4. advise the board on best practice measures from within the water industry and other sectors to inform the board's decision-making;
- 8.2.5. review the company's capability to identify and manage new information security risk types in conjunction with the Risk Committee;
- 8.2.6. review reports on any material breaches or attempted breaches of the company's information security measures, such as a cyber attack or similar, and the adequacy of proposed action; and
- 8.2.7. work and liaise as necessary with all board committees and the company's internal governance framework.

9. Reporting Responsibilities

9.1. The Committee chair shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2. The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

10. Other Matters

10.1. The Committee shall:

- 10.1.1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 10.1.2. be provided with appropriate and timely training, both in the form of an induction programme and on an ongoing basis for all members;

10.1.3. give due consideration to relevant laws and regulations, including the requirements of Ofwat, the Environment Agency and Drinking Water Inspectorate, and any other applicable rules, as appropriate; and

10.1.4. arrange for periodic reviews of its own performance and, 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.

10.2. For the purposes of these terms of reference the term "company" shall, unless indicated otherwise, refer to Southern Water Services Limited. Furthermore, the term "board" shall, unless indicated otherwise, refer to the board of directors of Southern Water Services Limited.

11. Authority

11.1. The Committee is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.