



# Board Governance Document

## - Summary Version

Company Secretariat  
Severn Trent

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**This document is a summary version of the statement of governance process by the board of directors of Severn Trent Plc. References to “ST” or the “Company” refer to Severn Trent Plc, and the term “Group” applies to the Severn Trent group.**

## **1. Board Statement**

Severn Trent is committed to sustainable growth and delivery of value for customers and investors through continuous improvement.

The role of the Severn Trent board is to promote and protect the interests of the Group, setting highest standards of governance and corporate behaviour. In carrying out this role, the Board gives careful and thorough consideration to, amongst others, the Company’s obligations as a publicly listed company, the obligations of its regulated subsidiary, Severn Trent Water Limited, under the Water Industry Act and its obligations to its xx million customers.

The Severn Trent board believe in the principle of the unitary board. The Chairman has a key role in encouraging open debate and challenge within the Board to set the highest standards and behaviours for the Board and the Group.

## **2. Board Governance Statement**

The Severn Trent board has processes in place regarding –

- (a) its own tasks and activities (board membership and administration);
- (b) the matters specifically reserved for board decision-making, the authority delegated to the Chief Executive (CEO), the accountability of CEO for that authority, and guidance on management of relationship between the board and the CEO; and
- (c) the boundaries on CEO action (CEO limits).

### **Matters reserved**

The board has reserved the following matters for its decision:

- the appointment of the CEO, the Company Secretary and the group director of Internal Audit;
- the strategy and budgets of the company;
- the Group Authorisation Arrangements;
- decisions regarding the Company and its subsidiaries required to be made by the board by the company’s Group Authorisation Arrangements, constitutional documents, statute or external regulation;
- the approval or adoption of documents (including the publication of reports and statements to shareholders), required to be made by the board by the company’s constitutional documents, statute or external regulation;
- decisions regarding the Company and its subsidiaries, and/or the approval or adoption of documents, required to be made by the board in accordance with the obligations under the Water Industry Act, in particular, the June Return and Price Reviews.

### **Delegation**

Beyond the above matters reserved the board delegates to the CEO all authority to achieve the strategic objective. The CEO is empowered to take all decisions and actions that further the strategic objective, and which in his judgement are reasonable having regard to his limits as set out in the Group Authorisation Arrangements.

The board will evaluate this document on an annual basis in line with regulatory and statutory requirements and corporate governance best practice.

**3. Supporting Information**

- Board Governance Document
- Governance Framework
- Group Authorisation Arrangements