

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Wednesday 29th June 2022 @ 9.00 am
IOC Conference Room

Present: Len O'Hagan Chairman
Peter McNaney Non Executive Director
Belinda Oldfield Non Executive Director
Paddy Larkin Non Executive Director
Maurice Bullick Non Executive Director
Marie-Therese McGivern Non Executive Director
Sara Venning Chief Executive
Ronan Larkin Finance, Regulation and Commercial Director
Paul Harper Director of Asset Delivery
Des Nevin Director of Customer and Operations

In attendance: Mark Ellesmere General Counsel & Company Secretary
Rose Kelly Director of People & Learning
Alistair Jinks Director of Business Services
Caroline McGale Financial Controller (**Item 2**)
Garth Stewart Regulation Manager (**Item 2.iv**)
Kunle Akande Reporter (**Item 2.iv**)
Ivan Jackson Interim Head of Health and Safety (**Item 3**)
Ciaran Crozier Head of PPP (**Item 5**)
Anthony Lynn Head of Communications (**Item 6**)
Paddy Brow Head of LWWP (**Item 9**)
Orla Crothers Environmental Outcomes Manager (**Item 9**)

Apologies: There were no apologies.

Two Members declared a potential conflict of interest in relation to Agenda Item 9. On that basis it was agreed that both Members would absent themselves from the meeting during the discussion of that agenda item.

1. Minutes and Actions from Previous Meeting

- The minutes of the meeting on 26th May 2022 were approved, there were no actions.

2.i. Audit Committee Recommendation

- The Chair of the Audit Committee confirmed that, at its last meeting on the 14th June 2022, the Committee received the external audit report for the year ended 21/22. In summary an unqualified audit opinion is being provided for the

statutory accounts, regulatory accounts and the regularity audit 21/22; accounting judgements relating to estimates continue to represent a neutral view and, in relation to the Company's continuation as a going concern, KPMG confirmed that a recent letter of comfort from DfI resolved the potential for "material uncertainty" and there was no need for any further modifications to or additional disclosures within the Annual Report and Accounts as a result. There is one uncorrected audit misstatement that is not material and no control deficiencies identified.

- On the basis of the above the Audit Committee recommended to the Board the approval of the Annual Report and Accounts 21/22, the Regulatory Accounts 21/22 and the associated Letters of Representation to KPMG.

2.ii. Consideration of approval of Annual Report and Accounts 21/22, Letters of Representation to KPMG and Regulatory Accounts 21/22

- The Finance, Regulation and Commercial Director provided the Board with a summary of the approach to the preparation of the Annual Report and Accounts 21/22 including the external audit, the Company's continuation as a going concern, economic uncertainty post Covid and Brexit and deferred tax.
- On the basis of the above and recommendation of the Audit Committee the Board considered and approved the Annual Report and Accounts, the Regulatory Accounts and the associated Letters of Representation for 21/22.
- The Chair requested that the Board's thanks be passed on to the teams involved in the production of the Annual Report and Accounts and associated documents.

2.iii. Overview of the Subsidiary Companies Accounts for 21/22

- The overview of Subsidiary Companies Accounts for 21/22 was noted.

2.iv. 2022 Annual Information Return

- The Board received a presentation from the Reporter on the 2022 Annual Information Return.
- Subject to 2 recommendations in relation to 2 new tables to be included in the AIR 22, the Reporter confirmed that the AIR 22 was in order for submission by the Board to the Utility Regulator.
- In light of the above and, based upon Management's assurances in relation to the 2 recommendations, the Board approved submission of the AIR 22 to the Utility Regulator under the Licence.

3. Health and Safety Report/Attendance Quarterly Report

- There was one Company reportable incident in period.
- Good progress in relation to the top 5 priority projects under the Health and Safety Action Plan as well as appointments to the Health and Safety Team.

4. Main Board Report

Significant matters in month.

The CEO provided an update on the following matters:

- Operating Plan and Budget 22/23 – DfI confirmed that the Company should plan to spend up to £282m CDEL, engagement continues with DfI in relation to RDEL confirmation.

- 21/22 Pay Remit – DfI and DoF have recently approved an enhanced offer which will be taken forward with the Water Group of Trade Unions as quickly as possible.
- A number of engagement sessions with colleagues across the organisation have taken place since the last meeting across all hub locations and with senior leaders of the Company.
- Queen’s Birthday Honours List – the Board asked that its congratulations be passed on to Stephen McComb on his award of the BEM.

Colleagues

- Updates were noted in relation to the apprentice strategy and the outreach strategy as well as a number of nominations for business awards.

Customer

- All targets currently on track for achievement except for Net Promotor Score – work ongoing with the Utility Regulator and CCNI in this regard.
- In response to a question, it was confirmed that there was no current impact on operations as a result of the latest surge in Covid cases.

Green Economy

- The Board welcomed proposals for a follow up event to the Power of Water to be sponsored by senior leaders from both the public and private sectors.

Finance

- The Group financial position in period was noted including ongoing impacts of energy price fluctuations and increase in supply chain costs.

5. PPP Exceptions Report

- The update report was noted including positive developments in relation to Kinnegar and Alpha and an evolving situation in relation to BREF emission standards on the Omega contract.

6. Engagement Strategy Quarterly Update

- The quarterly update was welcomed including a forthcoming event regarding social value for suppliers. The Chair asked Management to consider additional investment in social media on behalf of the Company.

7. ACE2 Quarterly Update

- The quarterly update was noted and a more detailed verbal update was provided on the electrolyser project in terms of progress, risks and indicative timelines.

8. Approvals

8.i JL795 – Ballinrees WTW Project

- A detailed discussion ensued in relation to the requirement for additional funding for this project. It was noted that Ballinrees WTW was the subject of an Enforcement Notice from DWI. On that basis approval was given for submission of the business case to DfI for additional funding.

8.ii Windfarm Strategic Outline Case

Approved based upon the information provided within the paper.

Maurice Bullick and Paddy Larkin absented themselves from the next Agenda item.

9. LWWP

- Members noted the detailed update provided in the slides and discussion focussed on the current preferred option which was likely to receive support from key stakeholders. Further modelling and assessment of this option would now be carried out with a view to providing sufficient evidence to all interested stakeholders (in particular NIEA) that this was the most appropriate option in all circumstances.

10. Forward Look

- The Forward Look was noted including plans for the Board Tutorial on Clean Water at the July meeting.

11. Any Other Business

- No items under Any Other Business.

Approved