

Statement of Corporate Governance

Under the Companies (Miscellaneous Reporting) Regulations 2018, the company is required to provide a statement of corporate governance arrangements in the Directors' report for years beginning on or after 1 January 2019. The company has adopted the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council in December 2018), which will apply to our reporting for the year ended 31 March 2020 and subsequent years. We set out below how the Principles were applied during the year.

Principle 1 – Purpose and leadership

Our vision is to be the leading service provider for Utilities in the UK and Ireland. MUS has become synonymous with 'Delivering what we promise', both to our clients and our people. Working collaboratively with utility asset owners in the water, gas and electricity sectors helping them repair, renew, refurbish and maintain their infrastructure, our purpose is to keep households and businesses warm, taps flowing and the lights on.

As part of our ongoing commitment, we are excited to share our vision and values. Clear, simple and focussed, the aim is to make sure that our people and our clients really understand what is driving us and our common goals.

- **People:** Engaging and empowering everyone to deliver and grow
- **Safety:** Putting the safety, health and wellbeing of people first
- **Delivery:** Helping deliver our clients business needs
- **Integrity:** Conducting ourselves respectfully, being open, accountable and honest in all our operations

Principle 2 – Board composition

The Board is made up of directors who have broad industry experience. The Directors are highly experienced business leaders and frequently consider the interests of a broad range of stakeholders in their decision-making processes.

Since the company is an intermediate holding company within the Group, the Directors believe that the Board is of an appropriate size given that it works closely with the board of directors of the company's parent, M Group Services Limited.

Principle 3 – Director responsibilities

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties including section 172 and were briefed on the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations 2018 in advance of the effective date.

The Directors receive detailed information relating to the operations and performance of the company through monthly meetings and full Board meetings when required.

Principle 4 – Opportunity and risk

The role of the Board is to promote the long-term sustainable success of MUS.

We seek to capitalise on opportunities, while mitigating risks where possible, by ensuring that the company has the expertise and industry knowledge to deliver innovative solutions that help us meet our client's business needs.

Principle 5 – Remuneration

One objective of the company is to attract and retain people with the skills and experience, who can help us to continually develop the scope of our core capabilities and meet our commitments to customers. As part of this, the company regularly reviews remuneration strategies across all roles including benchmarking against other industry players where appropriate.

Across the business, a range of recognition and reward schemes are designed to incentivise the workforce to deliver sustainable performance based on strategic objectives.

Principle 6 – Stakeholders

The board understands the importance of forging positive relationships with the stakeholders of the business and considers how they are impacted as part of the decision-making process. The Section 172 Statement sets out how we engage with some of our key stakeholders, including our workforce, clients, suppliers, local communities and shareholders.