



**Dŵr Cymru**  
**Welsh Water**

**GLAS CYMRU HOLDINGS CYFYNGEDIG**  
**(GLAS CYMRU)**

**DŴR CYMRU CYFYNGEDIG**  
**(DŴR CYMRU)**

**FINANCE COMMITTEE**  
**TERMS OF REFERENCE**

Approved by the Board on 30 April 2020

**GLAS CYMRU HOLDINGS CYFYNGEDIG (Company No. 09917809)**

**DŴR CYMRU CYFYNGEDIG (Company No. 02366777)**

**FINANCE COMMITTEE**

**TERMS OF REFERENCE**

In this document:

- **'Group'** means Glas Cymru Holdings Cyfyngedig ("**Glas Cymru**") and its subsidiaries
- **'Company'** means Dwr Cymru Cyfyngedig ("**Dwr Cymru**")
- **'Board'** or **'Group Board'** means the Joint Board of Glas Cymru and Dwr Cymru
- **'Board Approved Matters'** means matters relating to the 'Approval of the Group's financing strategy, investment strategy, treasury policy and material financial transactions' in accordance with the Schedule of Matters Reserved for the Board.

**1. PURPOSE**

- 1.1 The Board has established a committee of the Board to be known as the Finance Committee ("**Committee**") to approve urgent financial decisions between Board meetings.

**2. COMMITTEE**

**2.1 Membership**

2.1.1. The Committee shall be appointed by the Board and shall comprise the Chair of the Audit Committee (who shall also act as the "**Committee Chair**"), the Chair of the Board, the Chief Executive and the Chief Financial Officer.

2.1.3. No one other than a member of the Committee is entitled to be present at a meeting of the Committee, however, other persons may attend all or part of any meeting by invitation of the Committee Chair as and when appropriate and necessary.

2.1.4. In the absence of the Committee Chair, and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

**2.2 Secretary**

The Company Secretary (or their nominee) shall be Secretary to the Committee ("**Secretary**").

**2.3 Quorum**

The quorum for a valid meeting shall be two Committee members, provided that the quorum shall always include at least one person from each of the following groups:

The Committee Chair **or** Chairman of the Board; **and**  
The Chief Executive **or** the Chief Financial Officer

A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## 2.4 **Role of Committee Members**

Committee members will utilise their personal skills, knowledge and judgement to perform the responsibilities set out in these terms of reference.

## 3. **MEETINGS**

### 3.1 **Meeting Frequency**

Meetings shall be held at such frequency as circumstances demand with the intention that the Committee is required to meet on rare occasions to approve financial matters of an urgent and adhoc nature.

### 3.2 **Notice of Meetings**

3.2.1. A meeting may be convened by any member of the Committee or by the Secretary at the request of the Committee Chair.

3.2.2. Unless otherwise agreed, a notice of each meeting (confirming the venue, date and time, together with an agenda of items to be discussed, shall be sent to each member of the Committee and any other person required to attend as soon as practically possible. Supporting papers shall be sent to Committee members and other attendees as appropriate.

### 3.3 **Minutes**

3.3.1. The Secretary shall keep appropriate written minutes of the proceedings and decisions of the Committee, including the names of those present and in attendance.

3.3.2. Draft minutes of Committee meetings will be circulated promptly to the Chair of the Committee and once approved by the Committee Chair, to all Board directors at the next Board meeting, unless in the opinion of the Committee Chair it would be inappropriate to do so.

### 3.4 **Duties**

3.5 The Committee should carry out the duties below for the Company and the Group as appropriate:

3.6 To consider and to make decisions and/or approve transactions in relation to Board Approved Matters, or matters specifically delegated to the Committee, where:

3.6.1. A decision is required or a transaction needs to be approved between formal meetings of the Board; and

3.6.2 It is in the best interests of the Company or Group that a decision is made or a transaction is approved in this way.

## 4. **OTHER MATTERS**

4.1 The Committee shall:

4.1 have access to sufficient resources in order to carry out its duties, including access to the Group Company Secretariat for assistance as required;

- 4.2 be provided with appropriate and timely training, both in the form of an induction programme for new Committee members and on an on-going basis for all Committee members;
- 4.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, Ofwat's principles on Leadership, Transparency and Governance and any other applicable rules, as appropriate;
- 4.4 work and liaise as necessary with all other Board Committees; and
- 4.5 arrange for the 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.

## **5. AUTHORITY**

5.1 The Committee is authorised to:

- 5.1.1. investigate any activity or state of affairs within its terms of reference.
- 5.1.2. at the Group's expense, seek such information as it requires from the Group and its employees, and/or to take such internal and external professional advice, as it shall consider appropriate in connection with the performance of its duties.