

The logo for 'glas' is contained within a white thought bubble shape. The word 'glas' is written in a lowercase, teal-colored serif font. Below it, the text 'Glas Cymru Holdings Cyf' is written in a smaller, teal-colored sans-serif font.

glas

Glas Cymru Holdings Cyf

Members' Handbook

Glas Cymru

Glas Cymru is the parent company of Dŵr Cymru, the regulated water and sewerage company serving customers in Wales, Herefordshire and Deeside. We provide an essential service to some 1.4 million households and over 100,000 business customers by supplying water and carrying away and dealing with wastewater before we safely return it to the environment. The essential services we provide make a major contribution to public health, to the protection of the environment and to economic development.

We are unique among utilities companies in the UK as we are a 'not for profit' company, limited by guarantee. This means we have no shareholders and instead we have a governance structure which places considerable reliance on the role of our Members – individuals selected by an independent selection panel who have no financial stake in the business.

Glas Cymru Members are crucial to the continued good governance of our unique company by ensuring that the people leading the company are clearly and demonstrably accountable.



"PROUD TO PUT
CUSTOMERS FIRST"

The role of Members

The role of our Members is similar to that of shareholders – but without the financial incentive. Our Members take the company's long-term interests very seriously and know that their contribution will benefit both today's customers and future generations.

Members are committed, devoting their time and eagerness to learn about the organisation and the services we provide to domestic and business customers throughout the area we serve and to ensure that the Board and management team act in the best interests of the company.

Members are drawn from a wide variety of backgrounds and geographic areas. They listen as 'critical friends' of the company and form a key part of the 'checks and balances' system of governance. Having this system of governance helps to ensure that Dŵr Cymru continues to be able to attract funding for service improvements which benefit our 1.4 million customers and to retain the confidence of our customers and other key stakeholders.



A man with brown hair and a mustache, wearing safety glasses on his head and a dark blue polo shirt, is smiling in a workshop. In the background, there is a brick wall and industrial machinery. A yellow speech bubble is on the left, and a white speech bubble is on the right.

What we expect from Members:

- Regular attendance at Member Meetings (usually held twice annually, in July and December) and voting at the AGM in July;
- To act in the best interests of the company, putting aside any personal interest;
- Not to use their position as Members for any financial gain or personal advantage of any description both within Glas and externally;
- Not to use their position to take up complaints or pursue other causes on behalf of other stakeholders in Dŵr Cymru. Obviously we would not wish to prevent Members from raising operational issues as customers of the business, however, any lobbying or political involvement of Members must be undertaken in their capacity as individuals and not in any official capacity as a Member of Glas Cymru.

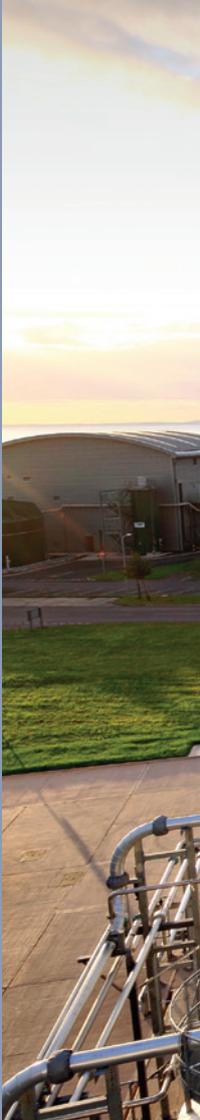
“TRUSTED TO DO THE RIGHT THING”

Ensuring the well-being of the company

Members are one of the Company's most important assets and indeed one of the distinguishing features of our unique business model. Throughout the history of Glas Cymru, whenever the company has faced potentially serious difficulties, the Board and Executive have been able to rely on a constructive and informed dialogue and contribution from Members.

Members hold the board to account for the stewardship of a very important and long term industry providing an essential public service to more than 3 million people 24/7. In doing so, Members' interest and knowledge of Dŵr Cymru Welsh Water and our industry is a good deal deeper and wider than would be typical of a shareholder-owned company. And that fact is very evident in the company's meetings with Members, where Members use their knowledge constructively both to challenge and to assist the Board and the Executive in their task.

The governance role played by Members is important to the continued well-being of the organisation. The company relies on the investment of some £2.5 billion of private capital to fund future investment over the long term and our investors demand that governance procedures must be effective in operating to a high standard, in order for them to have confidence in the continued well-being of the business.





"EXCELLENCE
IN EVERYTHING
WE DO"

Members do not make strategic decisions but hold the Board to account and play an essential secondary governance role, helping to promote the good running of the company. Informally, Members also play a crucial role in acting as a sounding board for the Board and the Executive and providing a conduit to and from the communities served by Dŵr Cymru Welsh Water.

The Glas Cymru Board is made up of Executive (full-time employed) Directors and Non-Executive (independent) Directors. The Executive Directors are responsible for the day to day management of the company and have responsibility for leading the business and legal responsibility for doing so. The Non-Executive Directors have a primary governance role but have legal responsibility for the continuation, future strategic direction and governance of the company.

From a legal perspective, we need to clarify that Members do not act as 'shadow directors' of the company or seek to direct it.

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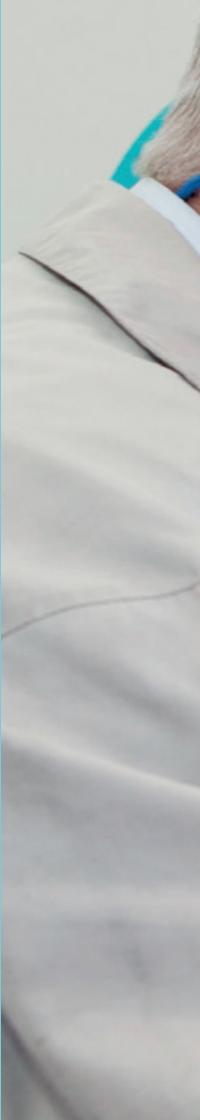


"SAFE AT ALL TIMES"

Making best use of Members' knowledge and experience

Our aim from the start has been for our Membership to comprise people not just with a strong interest in the work and wider responsibilities of Dŵr Cymru, for today's customers and for future generations, but for them to bring to bear different and diverse perspectives on our discussions, to be broadly representative of the various interests we serve across our supply area and – above all – to be individuals who have the skill, experience and standing to carry out the important corporate governance role which Members do. Many Members have skills and experience which is of specific relevance to Glas Cymru's business. We will look for ways to make the best use of those skills and experience on an informal basis, and are grateful for Members' interest in the day to day management of the company, however, this is secondary to the primary role of holding the business accountable for good governance and Members must be prepared at all times to put their particular interests to one side in considering the best interests of the company as a whole.

Our Members are key stakeholders. We may, from time to time, share confidential information with Members as part of our efforts to ensure that they are properly informed about the issues that matter to our business. Members must, however, maintain a healthy distance in order to take an objective view and to be the 'conscience' of the company in a very real and immediate sense. It is an important test for the Board and the Executive, in taking decisions about the future strategy of the company, to consider how Members might feel about the outcomes of such decision-making, and indeed views of Members may be sought as part of the process of healthy decision-making.





Byddwch yn gwlw hyderus fod eich dda
yn ddiogel, yn ddibynadwy ac yn hysbysu chi.
You will have complete confidence that your
drinking water is safe, reliable and value for money.

own:
our plans
ing bills low,
during this period:

at ein hasbetsu ar gylch
dyfodol, yn y ffordd lefel
for future
cost.

to provide the best quality
water for you, with
the lowest possible cost.

"OPEN TO
NEW IDEAS"

What do Members get in return?

Throughout the existence of Glas, our employees and the management team have been inspired and motivated by the dedication of Members and their willingness to devote time and effort to support the business. And in return for all this? Members tell us of their enjoyment in being part of a company which exists for its customers and which reinvests all profit for the benefit of those customers. It is a chance to belong to a different kind of corporate organisation which is not driven by financial dividends and shareholder return.

It is also a chance to network with an interesting and varied group of peers and to meet together at least twice a year in circumstances which as a business we will endeavour to make as interesting and interactive as possible. Members share a unique experience and build networks with a range of people across our region. In order to enable those networks to continue when Members' terms come to an end we have also set up a Glas Cymru Members Alumni Group.





"HONEST WITH
EVERYONE"

Testimonials



Norma Barry

I became a Member of Glas Cymru because I believe passionately in the company model that uses any profits for the benefit of its customers. The role has provided me with a valuable insight into the challenges of running major, regulated businesses.

More importantly, it has given me the opportunity to input into company decision making to help ensure that the interests of Welsh consumers are protected. Board members and key staff are always willing to listen and welcome constructive challenge.



Victoria Provis

I was interested to learn more about a complex industry of vital importance to all of us. The opportunity to participate in discussions on a broad range of issues has been interesting and challenging – in my experience it is rare to have the chance to listen to the contrasting views of so many different stakeholders and to know that the executive team are listening.

Our recent discussions over PR14 have convinced me yet again that Members' views are valued and incorporated into submissions to the regulator. As a professional executive search consultant, I have been particularly interested to watch how the company has managed both succession planning at the senior level, and the challenging shift away from outsourcing towards direct employment of the company's skilled and dedicated workforce.*

*PR14 – review by the economic regulator Ofwat to set prices.