



Dŵr Cymru
Welsh Water

Pentwyn Road
Nelson
Mid Glamorgan
Treharris CF46 6LY

Tel: +44 (0)1443 452300
Fax: +44 (0)1443 452323
Web site: www.dwrcymru.com

Heol Pentwyn
Nelson
Morgannwg Ganol
Treharris CF46 6LY

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Ffacs: +44 (0)1443 452323
Safle gwe: www.dwrcymru.com

Jonson Cox
Chairman
Ofwat
Centre City Tower
Birmingham
B5 4UA

9 October 2013

Dear Jonson

Thank you for your letter of 19 September and the attached governance principles. The Board of Glas Cymru has considered fully your letter and I can confirm that we have no issue at all with any of the corporate governance principles that you have set out and believe that we are already compliant with the aims of those principles. We conduct all our business as we would if we were a listed public limited company and we comply fully with the UK Corporate Governance Code. We aim for full transparency in respect of financial disclosures, and all financial surpluses are used for the benefit of our customers.

We are not at all complacent, however, and the Board will continue to review our governance to ensure that we continue to measure up to best practice. We are reviewing the quality of our disclosures on structure and finance issues for next year's reporting round, on the basis that we can continue to enhance the quality of disclosures and the availability of information.

Glas Cymru, a company limited by guarantee, manages Dŵr Cymru in the interests of our customers, both now and in the future. Strong and effective corporate governance and Board leadership remains key to achieving our goal of delivering the very best outcomes for the three million people who rely on us every day for the most essential of public services.

Glas Cymru and Dŵr Cymru have identical Boards, so that no issue of the lack of independence of the regulated company's Board arises, since there is a total uniformity of interest between the two companies. The Boards have always had a majority of independent directors. From the time that Glas Cymru was formed for the purposes of taking over the ownership of Dŵr Cymru, a significant emphasis has been placed on the calibre and independence of the Non-executive Directors on the Board; indeed, this was absolutely key for the success of the original transaction in May 2001 and it continues to be of utmost importance for us.

Yours sincerely

Christine Thorpe

pp John Bryant
Chairman

glas
Glas Cymru Cyfymallu

We welcome correspondence in Welsh and English
Rydym yn cyswlltaw gofodfaeth yn y Gymraeg neu yn Saesneg

Dŵr Cymru Cyf, a limited company registered in
Wales no: 2388777. Registered office: Pentwyn Road,
Nelson, Treharris, Mid Glamorgan CF46 6LY

Dŵr Cymru Cyf, cwmni cyfyngedig wedi'i ystyried yn y
Ffigyrau rhif 2388777. Swyddfia gofodfaeth: Heol Pentwyn,
Nelson, Treharris, Morgannwg Ganol CF46 6LY