



Water Trading Policy

FN00_P95

Revision: 2

Last Revision Date: FEB 2014

Next Revision Date: FEB 2016

Approved by: GM Corp

Owner: MGRFIN

PURPOSE

The purpose of this Policy is to set out how SunWater conducts its Water Trading activities and manages the risks associated with these activities and its obligations in undertaking these activities.

APPLICATION

This Policy applies to all trading of SunWater owned water allocations and includes:

- Temporary Transfers;
- Term Allocation arrangements; and
- Permanent Transfers.

where allowed for in SunWater's Interim Resource Operating License or Resource Operating License.

All SunWater business groups, employees and contractors are required to comply with this Policy and with the *Water Trading Code of Conduct*.

OBJECTIVES

Through the implementation of its Water Trading Framework, SunWater aims to:

- Provide for an accountable and transparent process for the trading of SunWater's own allocation;
- Ensure appropriate governance and internal controls in its Water Trading activities;
- Develop and encourage the transfer of water to its highest and best use; and
- Manage the risks associated with Water Trading including:
 - Market risk;
 - Regulatory risk;
 - Financial risk;
 - Operational risk;
 - Settlement risk; and
 - Credit risk.

COMMITMENTS

In undertaking its Water trading activities, SunWater will:

- Be bound by the *Water Trading Code of Conduct*;
- Ringfence the activities of the Water trader from its declared Government Monopoly Business Activities;
- Operate its Water Trading activities in accordance with its annual Portfolio Strategy that is approved annually by the SunWater Board of Directors.
- Engage an independent third party to undertake annual audits of its compliance with the *Water Trading Code of Conduct*; and
- Submit the annual audit report to SunWater's Chief Executive and the Audit and Governance Committee.

REFERENCES

Water Trading Code of Conduct

SunWater Quality Management System	Uncontrolled Copy Validate Currency when Printed	Page 1 of 1
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