

Policy for Trading in Securities – SunWater directors, officers, senior managers and staff

Background:

1. The Corporations Act prohibits *Insider trading*

Insider trading occurs under the *Corporations Act 2001* (Cth) (the **Corporations Act**) when a person who possesses price sensitive information, not generally available to investors, deals or procures a dealing in securities or communicates such information in relation to listed securities to a third party where the third party will, or would be likely to, deal or procure a dealing in listed securities.

2. Price Sensitive Information

Under the Corporations Act, information is price sensitive if a reasonable person would expect the disclosure of that information to have a material effect on the value of listed securities or such a disclosure would be likely to influence investors' decisions regarding trading in those securities.

3. Why does SunWater need a securities trading policy?

SunWater is becoming increasingly involved in significant projects involving Australian listed entities which may involve price sensitive information.

Contracts awarded by SunWater to some companies may be of such a magnitude or significance that it may affect the price of the companies' securities in some cases.

4. The Importance of Shareholder, Customer and Community Expectations

SunWater's shareholders, customers and the community will not regard it as commercially or ethically acceptable for SunWater, its directors, officers, senior managers and staff to deal in securities of a body corporate at a time when SunWater is in possession of price sensitive information. It is vital that SunWater's reputation and integrity in the market place is maintained to the highest standard.

Policy:

1. In addition to policies requiring individuals, directors, officers, senior managers and staff to maintain their independence, and to declare conflicts and potential conflicts of interest, prohibited transactions* will ordinarily include new or additional share investments, or divestments of existing holdings:
 - a) in any publicly listed company that contracts commercially with SunWater and the contract/s:
 - requires shareholding Minister approval, i.e. contract/s value (cost or NPV) greater than \$15m, and any of the following apply:
 - (i) the value of the contract/s is significant to the public company's business (>0.1% of operating revenue or total assets)
 - (ii) the number of shares involved is significant to the total number of shares on issue (>0.1% of shares on issue)
 - (iii) dealing in the securities is otherwise prohibited by the Corporations Act, **or**
 - has, or is in connection with a project which has, a potentially 'company changing' outcome for that company.

- b) in any publicly listed company with which a potential business deal is under consideration:
- where a business case has been prepared, **or**
 - where information generally not publicly available has been presented to the board, board committee, a committee of management or other forum in connection with the deal

and any of the following apply:

- the value of the deal/s is significant to the public company's business (>0.1% of operating revenue or total assets)
- the number of shares involved is significant to the total number of shares on issue (>0.1% of shares on issue)
- dealing in the securities is otherwise prohibited by the Corporations Act.

until such time as that deal or information becomes generally available to investors through release to the ASX or otherwise.

- c) that would, or could, be perceived to compromise the individual's ability to act in the best interests of SunWater
- d) that would, or could reasonably be perceived to compromise the individual's or SunWater's reputation or integrity.

2 In relation to existing investments in publicly listed companies to which any of the prohibitions in section 1 would otherwise apply, but where there is no intention to further buy or sell, individuals are required to promptly declare that interest to their general manager, CEO or the Chair of the board as appropriate.

3 The above requirements should be interpreted in a manner that is consistent in both form and substance with other relevant SunWater policies and standards including:

- a) the *SunWater Handbook for Board Members*
- b) the *SunWater Code of Conduct*
- c) SunWater contracts of employment
- d) the *Directors of the Board of SunWater – Annual declaration of interests*.
- e) the Corporations Act insider trading process

* *Includes dealings or transactions through or in conjunction with immediate family members (spouses, de facto partners and dependent children)*

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