

SHAREHOLDER RELATIONS POLICY



Tasmanian Water and Sewerage Corporation
(Northern Region) Pty Ltd
ABN 13 133 655 062

AIM

The Board recognises its overall duty to act in the best interests of the Corporation (and therefore, its shareholders) as a whole. However, the Corporation is also committed to developing and maintaining an effective relationship with its shareholders that promotes timely and open communication, and encourages shareholders to exercise their rights.

LEGISLATION

Water and Sewerage Corporations Act 2008 (Tas)
Corporations Act 2001 (Cth)

POLICY

The Board is responsible for developing and maintaining a healthy relationship with the Corporation's Owners' Representatives and shareholders. To achieve this, the Board will maintain a cycle of regular communications with either Owners' Representatives or shareholders, supplemented by further meetings and communication as the need arises.

Planned Communications with Owners' Representatives

- Quarterly Report to Owners' Representatives,
- Quarterly meetings to present and discuss the Quarterly Report to Owners' Representatives and any significant emerging issues,
- Annual meeting(s) to liaise regarding the Corporate Plan,
- Annual meeting to liaise regarding Board performance assessment, and
- Annual meeting(s) with statewide Owners' Representatives to discuss matters common to all Corporations, including directors' rotations, performance assessment, remuneration and related governance matters.

Planned Communications with all Shareholders

- Annual meeting of all directors and Mayors of shareholder councils,
- Annual General Meeting,
- Annual Report, and
- Specific disclosures required under the Constitution or Shareholders' Letter of Expectations.

'As required' Communications

In line with its continuous disclosure obligations and the spirit of 'no surprises', the Board will inform Owners' Representatives and shareholders of any matter that arises relating to material changes in the Corporation's position, affecting the nature or achievement of Strategic Plans and policies or may prevent the Corporation from achieving its financial targets. The information provided will be timely and balanced.

Through the Owners' Representatives, the Board will also liaise with shareholders on specific matters that require their approval, including proposals to sell or dispose of the Corporation's (or its

subsidiary/ies') main undertakings; major assets or investments; plans to introduce dividend smoothing; and any unscheduled matters related to membership of the Board.

The Board will consult with Owners' Representatives during the development of a Dividend Policy.

Shareholder initiatives and contributions

The Annual General Meeting (AGM) provides a formal opportunity for shareholders to engage with the Board. The Chairman of the Board, as chair of the AGM, will ensure that shareholders as a whole have the right to question the statutory auditor on matters concerning the audit, as well as a reasonable opportunity to discuss the Corporation's operations and management with the Board.

Shareholders are welcome to coordinate Questions on Notice with the Owners' Representatives. Owners' Representatives will forward Questions to the Corporate Secretary, to be received at least three weeks before the AGM.

Shareholders are encouraged to coordinate any other items requested for the AGM Agenda amongst themselves and their Owners' Representatives, noting that a lead time of three months is required. Items may be added to the AGM agenda at the Corporation's expense provided they are in accordance with the provisions of the Corporations Act. The Corporate Secretary will provide assistance to Owners' Representatives and shareholders in this regard.

Notices of Meetings and associated documents for AGMs and General Meetings will be prepared in Plain English to enhance understanding and meeting arrangements will be planned to account for travel distance for shareholders.

RESPONSIBILITIES

On behalf of the Board, the Chairman is responsible for formally maintaining the relationship with Owners' Representatives and shareholders. The Chairman may delegate this authority from time to time and may impose limitations and restrictions to such delegation.

The Chief Executive Officer (CEO) is responsible for managing operational relationships with Council General Managers and officers. The CEO will be mindful of the separation of responsibilities and refer appropriate matters and any contentious issues to the Chairman and/or Board to ensure compliance with this Policy.

REFERENCES

- Corporation's Constitution
- Shareholders' Letter of Expectations
- Board Charter
- Board Delegation Manual
- ASX Corporate Governance Council Corporate Governance Principles and Recommendations.

Approved by the Board at its meeting in May 2010.

Signed:



Chief Executive Officer