

Distributions Policy

Aim

TasWater is committed to providing distributions to Owners which will reflect the Owners' investment in TasWater.

The distributions to Owners will take into account TasWater's trading results, level of debt, interest coverage and capital program.

Legislation

Corporations Act 2001 (Cth)

Water and Sewerage Corporation Act 2012 (Tas)

Policy

The Constitution and Shareholders' Letter of Expectations require the Board to determine a Distributions Policy in consultation with the Owners' Representatives.

The Constitution provides that this should include the Dividends Policy which is required to be determined by the Board under the *Water and Sewerage Corporation Act 2012 (WSCA)*.

'Distributions' are defined as the total cash returns to Owners each financial year and typically comprise prescribed loan guarantee fees and income tax equivalents as determined under the WSCA together with any dividend payment determined by the Board.

As part of the Corporate Plan, each year the Board will nominate a target level of distributions to be shared amongst Owners in the financial years covered by the Corporate Plan.

In the event that circumstances change such that the Board determines to reduce or cancel a dividend payment, it shall advise the Owners at the earliest opportunity of its decision.

Owners' Share of Distributions

Total distributions will be distributed to Owners in accordance with their equity entitlements for distribution purposes as set out in Schedule 3 of the Constitution.

Distribution Payment Timetable

Distributions will be paid to Owners in the year in which the distributions are generated. The following table shows the expected timing of distribution payments.

Distribution Type	Dates Payable
Loan Guarantee Fees	In accordance with statutory requirements or as advised by Treasury
Income Tax Equivalents	In accordance with statutory requirements or as advised by Treasury
Dividends *	During the last week of February and June of each year

* Dividend only payable if the total income tax equivalents and guarantee fees fall short of the agreed target distributions for the financial year.

Associated Documents

National Tax Equivalents Regime

TasWater Constitution

TasWater Corporate Plan

TasWater Shareholders' Letter of Expectation

Approved by the Board at its meeting on 29 March 2017.



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Chairman