

STATEMENT OF COMPANY POLICY

The Directors have a fiduciary responsibility, like Directors of all companies, to their shareholders. The Directors also recognise a duty of care for those who work for the Company. However, the Directors accept an over-riding responsibility in their duty to supply water for the whole Island community.

The Company's policy is therefore to secure an adequate supply of good quality water available throughout the Island whilst recognising the need to limit increases in the cost of water and at the same time, providing a reasonable return for its equity shareholders.

ENGINEER'S CERTIFICATE

It is my opinion that the whole of the company's engineering and operational works during the past year have operated in a satisfactory manner and have been maintained in a good state of order and repair.

HN Snowden
Engineer

7 March 2003