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## **Protections to maintain the Australian identity of Snowy Hydro**

The Australian, New South Wales and Victorian Governments have agreed on a series of protections to maintain the Australian identity of Snowy Hydro Ltd, after its public listing on the Australian Stock Exchange.

A 10 per cent limit on individual shareholding will be in place for at least four years to ensure the appropriate spread of ownership.

Shareholders will be asked to vote to retain this shareholding cap periodically after the initial four year period.

In addition, the three Governments have identified protections to be entrenched in the company's constitution to maintain its Australian identity. The protections include:

- That the head office of Snowy Hydro Ltd must remain in Australia;
- Snowy Hydro Ltd must maintain a substantial business and operational presence in Australia;
- Two-thirds of the Directors of the Board of Snowy Hydro Ltd and the Chair of any meeting of the Board and shareholders must be Australian citizens; and,
- Snowy Hydro Ltd must remain incorporated in Australia.

Although the company has already committed to keeping its head office in Cooma, the Governments have also placed these guarantees into Snowy Hydro Ltd's constitution.

The Australian identity protections are proposed for four years from the day of the company's listing on the Australian Stock Exchange and can only be removed after that time by a special resolution requiring 75 per cent shareholder approval.

Australian Stock Exchange approval is being sought for the proposals.

The company will be floated on the Australian Stock Exchange and the initial public offering is being marketed to Australian investors. Most large Australian companies attract some foreign investor interest and Snowy Hydro Ltd will be no exception.

Regulation of foreign investment will be achieved through the Foreign Acquisitions and Takeovers Act 1975, which stipulates that foreign investors seeking to acquire more than 15 per cent in an Australian company must notify and seek approval from the Foreign Investment Review Board.

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