

**Amendment to SJW Corp.'s Code of Ethical Business Conduct**

On April 30, 2008, the Board of Directors of SJW Corp. (the "Company") approved certain amendments to its Code of Ethical Business Conduct (the "Code"). Such amendments were made to the Campaign and Election Law Guidelines set forth in the Code. Attached hereto is a copy of the amended provisions, marked to show changes.

Posted: May 1, 2008

Attachment

SJW Corp. and its Subsidiaries  
Code of Ethical Business Conduct  
(Amended and Restated on April ~~26~~30, ~~2007~~2008)

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## INTRODUCTION

The following statement of corporate policies constitutes the Code of Ethical Business Conduct of SJW Corp. and its subsidiaries (collectively, "SJW" or the "Company"), as adopted by its Board of Directors. It reaffirms the long-standing tradition of SJW to conduct all its operations in accordance with both the law and the highest standards of business ethics. This Code of Ethical Business Conduct applies to all employees, officers and directors of SJW.

### Ethical Business Conduct

1. It is the policy of SJW to comply with all applicable laws and regulations. When the application of a law or regulation is uncertain, the guidance and advice of an officer, the Corporate Counsel or the Chair of the Audit Committee should be sought.

2. It is the policy of SJW to maintain contacts with government officials and other government personnel, whether direct or indirect, as proper business relationships. Such contacts must never suggest undue influence upon such persons or cast doubt on the integrity of SJW.

3. It is the policy of SJW to be nonpartisan. ~~SJW does not support or take positions as to political parties or candidates at any level of government. Except to the extent specifically allowed by law, no corporate funds, properties or services shall be used directly or indirectly to influence the nomination or election of any candidate to public.~~ SJW encourages its employees, officers and directors to take an active personal interest in community and government affairs at all levels.

4. It is the policy of SJW to maintain accurate and reliable corporate records that disclose all disbursements and other transactions to which SJW is a party.

5. It is the policy of SJW to require the undivided commitment of its employees and officers in the exercise of their Company responsibilities. Unless the requirements and procedures set forth under Section V of this Code of Ethical Business Conduct are complied with and followed, personal investments or other activities that create a conflict of interest are prohibited and circumstances that give the appearance of a conflict of interest are to be avoided.

6. It is the policy of SJW that its employees should immediately report any suspected illegal or unethical conduct connected with the business of SJW to their supervisor and the Chair of the Audit Committee for SJW Corp. The Company has a 24/7 toll free hotline which provides a confidential and anonymous communication channel to report concerns regarding questionable accounting or auditing matters. The toll free hotline is 1-888-883-1499.

### Regulations and Guidelines

#### I. Compliance with Laws and Regulations

##### A. General

The observance of all laws, foreign and domestic, governing business activity is of the utmost importance to the continued success of SJW. The Company is committed to complying with all applicable laws duly enacted by legitimate authority. Toward this end, the Company strives to avoid even the appearance of wrongdoing because such appearances, however innocent, may lead to expensive and time-consuming litigation, adverse publicity and a lessening of public confidence in SJW.

The large volume of laws to which the Company is subject requires giving only a few examples of the more important areas affecting the operations of the Company. Employees, officers and directors must be aware of their ethical and legal obligations with respect to laws and regulations, including but not limited to utility regulations, water quality, environmental, securities, tax, occupational safety, health, and intentional discriminatory employment practices, and must continue to support the commitment of the Company to strict compliance with these laws.

It is obvious that the Company and its employees, officers and directors should never directly or indirectly engage in such activities such as theft, fraud, embezzlement, or misappropriation or conversion of property. Each employee must endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. Actions that result in taking unfair advantage of another through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other unfair practices should be avoided. No employee, officer or director should ever participate in any fraudulent or deceptive activities toward the Company, its customers or suppliers, contractors, or anyone else with whom the Company has business associations. Examples of such prohibited activities include kickbacks, inflated billings or the offering, directly or indirectly, of money, goods or services where the purpose of the action is to influence someone to act contrary to the interests of that person's own employer or principal.

In addition to complying with applicable legal requirements, all employees, officers and directors are expected to conduct the business of the Company consistent with the highest moral and ethical standards of society. Unethical business practices or other questionable activities do not serve the interests of the Company even though there is no technical violation of law.

#### B. Antitrust Laws

SJW will compete vigorously but fairly in its non-regulated activities and will comply with all applicable antitrust laws and regulations. The Board of Directors has directed employees to seek the advice and guidance of the legal counsel, the Chief Financial Officer, or the Chair of the Audit Committee of the Company, if appropriate, with regard to any transactions that may have antitrust implications.

#### C. Compliance Assistance; Reporting Violations

Many laws to which SJW is subject are complex and their application to the Company and its activities may be uncertain. Legal questions about proposed activities should be brought to the attention of the legal counsel, or the Chair of the Audit Committee, for analysis and guidance.

SJW expects ethical and legal conduct from all of its officers, directors and employees. Any employee, officer or director who believes that there has been conduct which is or might be a violation of law or of this ethics code, including any questionable accounting or auditing matters, should bring the matter to the attention of legal counsel, or the Chief Financial Officer, if appropriate. Employees, officers and directors should also feel free to report any violation to the Chair of the Audit Committee. The Company's reputation is extremely important, and all reported violations will be carefully investigated and appropriate action taken. Further, the Board of Directors has adopted a policy which prohibits any retaliation against an employee who in good faith reports truthful information about a violation of law or of this ethics code.

If you are concerned about being identified as a whistleblower, you may report a violation of law or of this ethics code, including any questionable accounting or auditing matter, on a confidential and anonymous basis by calling the Company's toll free hotline. The toll free hotline is 1-888-883-1499. Please include enough information so that the matter can be adequately investigated, or a method by which the Chair of the Audit Committee can contact you for further details.

## II. Relationship to Government Officials and Personnel

It is the policy of SJW to lawfully develop and maintain good relationships and effective communication with all levels of government. All contacts with government personnel must be maintained as arms-length business relationships and should avoid even the appearance of impropriety.

It is prohibited to make direct or indirect payments to government officials or personnel, other than in an official capacity consistent with applicable legal requirements and ethical business practices. This prohibition applies not only to payments and expenditures by the Company but also to those made

on its behalf by employees, agents or other representatives. Indirect payments include the use of any Company property, services or personnel.

Entertainment of government officials and legislators should be conducted within the bounds of applicable laws and business ethics and never under circumstances that might suggest a compromise of the impartiality of such persons or raise questions about their integrity or the motives of the Company.

### III. Employment of Sales Representatives, Agents and Consultants

Commission or fee arrangements shall be made only with firms or persons serving as bona fide commercial sales representatives, agents or consultants. Such arrangements may not be entered into with any firm in which a government official or employee is known to own an interest unless such arrangement is permitted by applicable law. All commission and fee arrangements with such agents must be covered by a written contract. In addition to standard contractual terms and conditions, the contract must contain a clear description of the services to be rendered by the agent. Commissions or fees paid an agent for assistance in securing orders and for after-sales service must be reasonable as to amount and consistent with local custom and normal practice in the industry for the products involved and for the services rendered.

### IV. Campaign and Election Law Guidelines

#### A. Corporate Activity

It is the policy of SJW with respect to the nomination or election of candidates to public office to be nonpartisan. However, in pursuit of its legitimate business interests, the Company may support or take positions as to the nomination or election of individual candidates to political office in the United States where consistent with law. The Company may also support other organizations (e.g., Chamber of Commerce) in the exercise of political participation, consistent with all legal requirements.

In accordance with the requirements of the laws To the extent permitted by law and these Guidelines and in furtherance of the Company's goals, of the United States and many state laws, it is generally the policy of SJW that ~~no~~ corporate funds, properties or services shall may be contributed or used directly or indirectly for the purpose of influencing the nomination or election of any candidate to public office. Where not permitted by law, This guideline prohibits the contribution of Company funds to political candidates, committees, and parties where not permitted by law, and also bars all or other forms of direct or indirect assistance or support, such as the use of Company meeting rooms, automobiles, computer or mailing services, or loans of Company personnel.

#### B. Individual Activity

SJW recognizes that individual voter responsibility on the part of its employees, officers and directors may include personal financial contributions to the election campaigns of candidates of their choice. While the Company does not discourage such individual political activity or other types of campaign support for candidates, all such activities are at the employee's, officer's or director's sole expense and the Company shall make no reimbursement in any form. No political activities by employees, officers or directors shall be conducted on Company premises or on Company time unless it is authorized by the Chief Executive Officer of the Company, permitted by applicable laws and is in the furtherance of the Company's goals (e.g., serving on board of Political Action Committees) under any circumstances that create the appearance that SJW sponsors such activity.

### V. Corporate Records and Assets

Accurate corporate records shall be maintained at all times. All payments of money, transfers of property, furnishing of services and other transactions must be reflected in full detail in the appropriate accounting and other business records of SJW. With the exception of disbursements from petty cash funds, no Company payments shall be made in currency. In addition, the Company must maintain a

system of internal accounting controls that will ensure the accuracy and adequacy of its books and records.

Employees, officers and directors of SJW often learn confidential or proprietary information about the Company or its customers. Company policy prohibits employees, officers and directors from using or disclosing confidential or proprietary information outside the Company, either during or after employment, without written Company authorization to do so, except in the ordinary course of performing his or her duties to the Company. Company policy prohibits disclosure of material nonpublic information about the Company to anyone other than persons within the Company whose positions require them to know such information. Trading in shares of the Company or other companies on the basis of confidential information such as new business or product line, operating results, merger discussions, or possible acquisitions, acquired by the employee through his/her employment with, service as an officer of, or a director through his service as a board member of the Company is prohibited in our Insider Trading Policy. In addition, it is a serious breach of federal securities laws for any person with access to confidential information to use such information for personal gain, directly or indirectly, through purchase or sale of securities before such information is disclosed to and assimilated by public investors.

Employees, officers and directors of SJW often have access to and work with proprietary data of customers, suppliers and joint venture partners. The Company and its employees, officers and directors have an obligation to protect the confidentiality of such third party information. This is an important trust and must be discharged with the greatest care for the Company to merit the continued confidence of its customers, suppliers and joint venture partners. No employee, officer or director shall use or disclose such confidential or proprietary information to non-employees without Company authorization, nor shall any employee, officer or director disclose such information to other employees except on a need-to-know basis.

Employees, officers and directors shall make full disclosure of all relevant information and shall otherwise fully cooperate with internal or external auditors, or SJW legal counsel, in the course of compliance audits or investigations.

All employees, officers and directors should protect the company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's efficient operation and profitability. All employees, officers and directors shall comply with the Company's policies regarding non-business use of company property and resources. The Company's confidential information is also an asset which must be safeguarded.

## VI. Conflicts of Interest

### A. General

SJW relies on the good faith of its employees, officers and directors in the exercise of their responsibilities to the Company. All business judgments on behalf of the Company should be made by its employees, officers and directors on the basis of such trust and the exercise of independent judgment in the Company's best interests. The Company fully respects the rights to privacy of employees, officers and directors in their personal affairs and financial activities. The purpose of this policy is to provide guidance to employees, officers and directors in avoiding situations in which their personal activities are, or appear to be, in conflict with their responsibilities to SJW.

Although it would be virtually impossible to define every situation that might be considered a conflict of interest, generally speaking a conflict exists when an employee's, officer's or director's personal interests or activities may influence his/her exercise of independent judgment in the performance of his or her duty to the Company. There may be cases where such conflicts are more theoretical than real, but an employee, officer or director concerned about a possible conflict should review and disclose the situation in light of the following guidelines.

### B. Possible Conflicts

The situations listed below are areas where the possibility of a conflict of interest may occur:

1. **Financial Interests.** A conflict may exist when an employee, officer, director or an immediate family member, directly or indirectly, (a) engages in the same or similar kind of business in which the Company engages, or (b) owns a significant beneficial interest in a competitor or concern which does or may do business with the Company, if such employee, officer, director or immediate family member is in a position to influence the business decision of the Company or the outside concern.

2. **Outside Activities.** A conflict may exist when an employee, officer, director or an immediate family member, serves as a director, officer, employee, or agent of an organization which is a competitor or which has a current or prospective business relationship with the Company. A conflict may also exist when an employee, officer or director engages in a personal business venture that prevents devotion of the time and effort required by SJW. A conflict may also exist when an employee participates in a charitable or civic organization or serves in public office if the activities of any such organization or public body directly involve the business interests of the Company.

3. **Gifts.** Employees, officers and directors may not accept gifts from competitors, customers, or others having a business relationship with SJW. Gifts include any gratuitous service, loan, discount, money or article of value, but does not include articles of nominal value given as sales promotions or holiday remembrances, or the value of reasonable entertainment consistent with local social and business custom.

4. **Transactions Involving the Company.** A conflict may exist when an employee, officer, director or immediate family member engages in a transaction with the Company, other than purchase of water-related or other services generally provided by the Company on terms otherwise available to the public or all employees. Similarly, if an employee, officer, director or immediate family member has an interest in, or material relationship with, any entity that enters into a transaction with the Company, other than purchase of water-related or other services generally provided by the Company on terms otherwise available to the public, a conflict may exist. Transactions would include the sale, purchase, lease or rental of any property or other asset, employment or the rendition of services, the award or a contract or subcontract.

5. **Business Opportunities.** An employee, officer or a director shall not personally, or for any other person or outside organization, appropriate or use any benefit or opportunity that comes to the employee's, officer's or director's knowledge in the course of employment or service as an officer or board member.

This list of possible conflict of interest situations or relationships is not all encompassing. When there is any question as to whether a transaction or action will lead to a conflict of interest or an appearance of a conflict of interest, employees must consult with an officer, officers (other than the Chief Executive Officer of SJW Corp.) must consult with his or her supervisor, and the Chief Executive Officer of SJW Corp. and the directors of SJW must consult with the Audit Committee of SJW Corp.

#### C. Resolution Procedure

Prior to engaging in any transactions or actions having a conflict of interest or the appearance of a conflict of interest:

- an employee must report the transaction or action to an officer;
- an officer (other than the Chief Executive Officer of SJW Corp.) must report the transaction or action to his or her supervisor; and
- the Chief Executive Officer of SJW Corp. and any director of SJW must report any such transaction or action to the Audit Committee of SJW Corp.

Officers, supervisors and the Audit Committee of SJW Corp., as applicable, have the authority to prohibit the transactions or actions having the conflict of interest or the appearance of a conflict of interest or to impose other restrictions on such transactions or actions.

## VII. Fraud and Similar Irregularities

SJW policy prohibits fraud and establishes procedures to be followed concerning the recognition, reporting and investigation of suspected fraud. Fraud includes, but is not limited to:

- Dishonest or fraudulent acts;
- Embezzlement;
- Forgery or alteration of negotiable instruments such as Company checks and drafts or other Company documents;
- Misappropriation of Company, employee, customer, partner or supplier assets;
- Conversion to personal use of cash, securities, suppliers or any other Company assets;
- Unauthorized handling or reporting of Company transactions; and
- Falsification of Company records or financial statements.

## VIII. Administration and Implementation

The Board of Directors of SJW has adopted this Code of Ethical Business Conduct to apply to SJW and is ultimately responsible for the implementation of this Code. The Board has designated the Audit Committee to oversee the administration of the Code. The President of SJW will assist the Audit Committee with the administration of this Code and the Corporate Attorney will periodically update the Audit Committee regarding such administration. Every executive officer and manager of the Company shall exercise best efforts to assure continued compliance. The adopted Code and the guidelines shall be distributed to employees. It shall be the duty of each supervisor and manager to impress upon each employee periodically the necessity and importance of complying with this Code. All violations of the Code of Ethical Business Conduct shall be reported to the Audit Committee.

Any employee, officer or director who violates the Code of Ethical Business Conduct will be subject to sanctions, including, but not limited to warning, private reprimand, written reprimand, probation, suspension, demotion, or discharge. In appropriate cases, sanctions may include referral for criminal prosecution or civil action.

Waivers of the Code of Ethical Business Conduct for executive officers and directors may be made only by the Board of Directors or the Audit Committee, and all such waivers will be promptly disclosed to SJW Corp.'s shareholders on SJW's website.

This amended Code of Ethical Business Conduct of the Company is approved and adopted by the Board of Directors effective April ~~2630, 2007~~2008. It may be amended by a majority vote of the Board of Directors at any regular or special meeting of the Board. Copies of this Code, and all amendments thereto, are to be distributed by the Chair to the members of the Board once a year, and to new members of the Committee on the date of their appointment or election.

Dated: April ~~2630, 2007~~2008

/s/ Douglas R. King  
Douglas R. King,  
Chairman, Audit Committee of the  
Board of Directors, SJW Corp.

**ACKNOWLEDGMENT**

Please sign below acknowledging that you have read and agreed to abide by SJW's Code of Ethical Business Conduct.

I received, reviewed and agree to be bound by SJW's Code of Ethical Business Conduct.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Return this Acknowledgment to \_\_\_\_\_ in  
the \_\_\_\_\_ Department