



Continuous Disclosure Policy

Waterco Limited

Adoption date: 1 July 2020

1. INTRODUCTION

1.1 ASX Recommendations

ASX Recommendation 5.1 requires a listed entity to have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.

1.2 Purpose of the policy

This policy aims to ensure that information which may be market sensitive and may require disclosure under ASX Listing Rule 3.1:

- (a) is brought to the attention of the Company's Officers in a timely manner;
- (b) is promptly assessed to determine whether it requires disclosure under Listing Rule 3.1; and
- (c) if it does, is promptly given to the ASX.

1.3 Who does the policy apply to?

This Policy applies to the Waterco Group and its Personnel.

1.4 Definitions

- (a) **ASX** means the Australian Securities Exchange.
- (b) **ASX Recommendations** means ASX Corporate Governance Principles and Recommendations (4th Edition).
- (c) **Board** means the Board of directors of Waterco Limited.
- (d) **Company** means Waterco Limited ACN 002 070 733.
- (e) **Disclosable Information** means information about all matters which a reasonable person would expect to have a material effect on the price or value of its securities.
- (f) **Employees** means any person employed by the Waterco Group on a full-time, part-time or casual basis.
- (g) **Listing Rules** means the official Listing Rules of ASX as amended, varied, modified or waiver from time to time.

- (h) **Officer** means:
- (i) a director or secretary of the Company; or
 - (ii) a person:
 - (A) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the Company; or
 - (B) who has the capacity to affect significantly the Company's financial standing.
- (i) **Personnel** means all Waterco Group Employees, directors, contractors, suppliers and consultants.
- (j) **Waterco Group** means Waterco Limited ACN 002 070 733 and each of its wholly owned subsidiaries.

2. INFORMATION TO BE DISCLOSED

- 2.1 Under Listing Rule 3.1, once the Company becomes aware of any information that a reasonable person would expect to have a material effect on the price or value of the Company's securities, the Company must **immediately** notify the ASX of the information.
- 2.2 Listing Rule 15.7 further states that the Company cannot disclose information that is intended for release to the market to anyone until they have first disclosed it to the ASX.
- 2.3 Therefore, information cannot be selectively disclosed (for example to analysts, the media, groups of shareholders or customers) before it is announced to the ASX. Presentations to be made to shareholder meetings or analysts' briefings must be released to the ASX (via the ASX Market Announcements Platform) at or before the time of the presentation. Officers and Employees must decline to answer a question that requires disclosing price sensitive information that has not been disclosed to the ASX.

3. LIMITED CIRCUMSTANCES WHERE DISCLOSURE IS NOT REQUIRED

- 3.1 Disclosure under Listing Rule 3.1 does not apply if:
- 3.1A.1 *One or more of the following applies:*
 - It would be a breach of the law to disclose the information;
 - The information concerns an incomplete proposal or negotiation;
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - The information is generated for the internal management purposes of the entity;
 - The information is a trade secret. and
 - 3.1A.2 *The information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and*
 - 3.1A3 *A reasonable person would not expect the information to be disclosed.*

- 3.2 According to ASX Guidance Note 8, the exception is directed at protecting the legitimate commercial interests of listed entities in a situation where the integrity of the market will not be undermined. For example, this exception allows for:
- (a) disclosure of information to an external party with whom the company is in confidential negotiations with respect to, for example, an acquisition or disposal; or
 - (b) the process of preparing financial projections and business plans for internal discussion and review.
- 3.3 However, the Company must monitor on an ongoing basis whether all three conditions of the exemption continue to be met. As soon as one no longer applies, the Company must disclose. For example:
- (a) if information has been leaked to the media, the information ceases to be confidential and the Company will need to disclose sufficient information to ensure that the market is properly informed; or
 - (b) where in the course of preparing draft financial statements it becomes apparent that there has been a major change in the Company's financial circumstances, a reasonable person would expect the Company to give some advance notice to the market before lodging final half-yearly or year-end statements.

4. WHY BE CONCERNED ABOUT CONTINUOUS DISCLOSURE?

- 4.1 Failure to disclose Disclosable Information in accordance with the Listing Rules exposes the Company, and the individuals responsible for the breach, to significant fines. Therefore, it is essential that all Employees understand the Company's legal obligations, and their practical obligations under this policy.

5. ROLES AND RESPONSIBILITIES FOR REPORTING

- 5.1 Officers and Employees must immediately notify the Company Secretary of any Disclosable Information which may need to be disclosed under Listing Rule 3.1. The Company Secretary will then discuss the information with the Chairman and together they will determine whether disclosure to the ASX is required.
- (a) **Officers, Senior Managers and Employees** – responsible for disclosing Disclosable Information to the Company Secretary.
 - (b) **Company Secretary** – has the primary responsibility for:
 - (i) discharging the Company's continuous disclosure obligations to the ASX;
 - (ii) overseeing and co-ordinating disclosure of information to the ASX, analysts, brokers, shareholders, the media and the public; and
 - (iii) ensuring that the Board receives copies of all material market announcements promptly after they have been made.

- (c) **Chairman** – responsible for assisting the Company Secretaries in making a determination as to whether disclosure is required.

6. PROMOTING COMPLIANCE

6.1 The Officers are committed to:

- (a) encouraging prompt disclosure of any material information which may need to be disclosed under Listing Rule 3.1; and
- (b) promoting an understanding of the importance of the continuous disclosure regime throughout the Company.

7. PREVENTION OF A FALSE MARKET

7.1 To prevent a false market in the Company's securities, the Officers are committed to ensuring that:

- (a) all investors have equal and timely access to material information concerning the Company (including posting price sensitive information on the Company's website once it is released to the market); and
- (b) all Company announcements are accurate, timely and contain no omissions or misrepresentations.

8. SAFEGUARDING INFORMATION

8.1 The Company has implemented the following policies to ensure corporate information is not prematurely disclosed:

- (a) any material information brought to a Company Secretary's attention is discussed with the Chairman and together they determine whether disclosure to the ASX is required;
- (b) the Company Secretaries, the Chairman and the Sales & Marketing Director are the only Officers who may disclose material information to the ASX; and
- (c) all employment agreements include obligations to protect confidential information contained about the Company in the course of employment.

9. MEDIA CONTACT

9.1 The Company Secretaries and the Chairman will determine whether it is necessary to contact the media in respect of any disclosures made to the ASX.

9.2 Unless otherwise agreed by the Board, the Chairman and the Sales & Marketing Director will be the only Officers permitted to make comments to the media.

10. EXTERNAL COMMUNICATIONS

10.1 The Board is committed to ensuring that:

- (a) all shareholders have equal and timely access to material information concerning the Company;
- (b) all Company announcements are factual and presented in a clear and balanced way that allows investors to assess the impact of the information when making investment decisions;
- (c) all briefings and discussions with analysts are reviewed to confirm Disclosable Information has not been inadvertently disclosed; and
- (d) earnings expectations are appropriately managed by establishing a range in which earnings are likely to fall.

10.2 Leaked or inadvertently disclosed information (including that which is not price sensitive) will be made available to investors by posting it on the Company's website.

10.3 Please refer to the Company's Shareholder Communication Policy for more details.

11. REVIEW

11.1 This policy will be reviewed periodically as and when necessary to meet the operational requirements of the Company and changes in the law.

12. REFERENCES

12.1 Shareholder Communication Policy