

Adoption date: 1 July 2020

1. INTRODUCTION

1.1 ASX Recommendations

ASX Recommendation 3.2 requires a listed entity to have and disclose a code of conduct for its directors, senior executives and employees and ensure that the board or a committee of the board is informed of any material breaches of that code.

1.2 Purpose of the policy

This policy sets out the standards of behavior expected of Officers and Employees of the Company.

1.3 Who does this 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) **Employees** means any person employed by the Waterco Group on a full-time, part-time or casual basis.
- (e) **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.
- (f) **Personnel** means all Waterco Group Employees, directors, contractors, suppliers and consultants.

- (g) **Waterco Group** means Waterco Limited ACN 002 070 733 and each of its wholly owned subsidiaries.

2. GENERAL

2.1 The Officers and Employees must:

- (a) act in accordance with the letter and spirit of relevant legislation, the Waterco Group's Statement of Values and Company policies (including the Company's Securities Trading Policy and Anti-Corruption Policy);
- (b) use due care and diligence in fulfilling the functions of their office/employment and ethically and responsibly exercising the powers attached to that office/employment;
- (c) act with honesty, integrity professionalism and objectivity so as to meet their responsibilities to shareholders and other stakeholders in the Company (such as Employees, business partners, customers and the community as a whole);
- (d) ensure that business transactions are carried out solely in the best interests of the Company; and
- (e) only deal with business partners who demonstrate similar ethical and responsible business practices.

3. RESPONSIBILITIES TO SHAREHOLDERS AND THE ENVIRONMENT

- 3.1 The Company recognizes that acting ethically and responsibly will enhance its brand and reputation and assist in building long-term value for its investors.
- 3.2 The Company has put in place systems and procedures to detect, to prevent and to address unethical conduct and practices through the risk management structures and internal audit function.

4. RESPONSIBILITIES OF EMPLOYEES AND OFFICERS

- 4.1 Officers and Employees will show consideration and regard for each other, be guided in their behaviour by the Company's Statement of Values and make a positive contribution to the Company.
- 4.2 The Company will ensure equal employment opportunities and decisions on hiring, salary, benefits, advancement, termination or retirement will be based on the Employee's qualification, experience and performance. Officers and Employees must not engage in unfair or unlawful discrimination by race, gender and disability.
- 4.3 Officers and Employees all have the right to work in an environment free from harassing behaviour and it is the officer's and Employee's responsibility not to engage in harassing behaviour towards colleagues, contractors, Employees or members of the community.
- 4.4 Officers (other than non-executive directors) and Employees must have approval from the Board to take up a directorship with another company. To take part in an external activity, additional

employment or any outside business activity that will involve a significant amount of an Officer's or Employee's working time or which will impinge on an Officer's or Employee's ability to perform his or her work for the Company, requires approval. Generally, unless there is a demonstrable benefit to the Company, either directly or indirectly, such extracurricular activities will not be approved.

5. BUSINESS COURTESIES

- 5.1 A business courtesy is a gift (whether in money or in kind) provided to a business associate. In certain situations, the exchange of limited, non-cash business courtesies may be appropriate. The Company does not seek, however, to improperly influence the decisions of its customers or suppliers by offering business courtesies, just as the Company requires that the decisions of Officers and not be affected by having received a business courtesy. Accordingly, Officers and Employees must deal with customers and suppliers fairly.

6. CARE AND DILIGENCE

- 6.1 The Officers and Employees should exercise due care, skill and diligence in the performance of their duties and responsibilities. This should include such activities as ensuring the accuracy of all decision-making information, attending to detail in all aspects of work, being mindful of the sensitivities of others, protecting confidentiality and being courteous, open and honest.
- 6.2 The products and services provided by the Company will be of high quality. The Officers and Employees will deliver these products and services to its customers in a timely and equitable manner, and give customer satisfaction high priority. Where the quality of products and services provided is not satisfactory to its customers, the Company will take prompt remedial action.

7. CONFLICTS OF INTEREST

- 7.1 A conflict of interest is a circumstance where some or all of the interests of a private individual interfere or appear to interfere with the interests of the Company as a whole by being in conflict with an individual's duties as a director, senior executive, or Employee. The Officers and Employees recognise their overriding responsibility to avoid or manage actual, apparent or potential conflicts of interest. Conflicts of interest must be reported based on the following reporting lines:
- (a) Officers must disclose conflicts to the Chairman for consideration. If the Chairman is conflicted, disclosure must be made to one of the Company Secretaries.
 - (b) Employees must disclose conflicts to their supervising Manager, who will in turn report to one of the Company Secretaries for the attention of the Board.

8. CORPORATE OPPORTUNITIES

- 8.1 The Officers and Employees must not:
- (a) take improper advantage of property, information or position, opportunities arising from these, for personal gain, to compete with cause detriment to the Company or its customers;

- (b) receive benefits (including gifts or entertainment) which could be seen as creating an obligation to someone other than the Company (except in accordance with the Company's Anti-Corruption Policy); and
- (c) act in ways which may cause others to question their loyalty to the Company.

9. CONFIDENTIAL INFORMATION

9.1 General

The Officers and Employees must ensure that confidential information about the Company is not disclosed to third parties, except where such disclosure is authorised or legally mandated. This confidentiality obligation is usually formalised in each Employee's employment agreement or letter of appointment.

9.2 Confidential communications from Employees

Employees may communicate to the chair of the audit committee, where they have concerns (on reasonable grounds) regarding potential fraud or misappropriation, weaknesses in internal controls, or the adequacy or accuracy of information being provided within the organisation to senior managers or the Board. Such communications (which shall be in writing) shall be treated as confidential. Employees should explain whether the matters have previously been discussed with an Employee's manager, and if not, why the Employee has chosen to report to the Audit Committee.

10. COMPLIANCE CULTURE

10.1 The Officers and Employees are committed to actively promoting a culture of compliance with laws, regulations and rules governing the business and operations of the Company and best ethical practices. The Company will take the following steps to address unlawful and unethical behaviour:

- (a) the reporting of internal unlawful or unethical behaviour, and the protection of those who report such violations in good faith;
- (b) the thorough investigation of all such reports and taking of any necessary action in response; and
- (c) monitoring and assessing compliance with Company policies and corporate governance standards on a regular basis, and where deficiencies are recognised, acting swiftly to correct such deficiencies before they adversely impact the performance of the Company.

11. WORKPLACE HEALTH AND SAFETY

11.1 The Officers and Employees are committed to ensuring:

- (a) a safe work place;
- (b) that proper workplace health and safety procedures are followed; and
- (c) that there is proper consideration and respect for environmental issues.

12. PRIVACY

The Company's Privacy Policy regulates the handling of any personal information that the Company collects. It contains detailed information on the Company's functions and activities, and privacy issues and its privacy policy provisions.

13. COMPLIANCE WITH LEGISLATION

All Officers and Employees are required to comply with the letter and spirit of all applicable laws and regulations in all jurisdictions in which the Company operates in performance of their duties and their dealings with fellow Personnel and all third parties with whom they have contact in the performance of their duties.

14. ACKNOWLEDGMENT

14.1 All Employees and Officers will receive appropriate training on their obligations under this Code of Conduct. The Officers and Employees acknowledge that:

- (a) strict compliance with this Code of Conduct is essential to maintain public confidence in the integrity of the Company; and
- (b) failure to comply with this Code of Conduct may be grounds for termination of their appointment or other proportionate disciplinary action.

14.2 In particular, Officers must speak and act consistently with the Code of Conduct in order to model appropriate behaviour to Employees.

15. REVIEW

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

16. REFERENCES

16.1 Statement of Values

16.2 Privacy Policy

16.3 Securities Trading Policy

16.4 Anti-Corruption Policy