



# Securities Trading Policy

Waterco Limited

Adoption date: 1 July 2020 (Revision 1: 23 June 2023)

## 1. INTRODUCTION

### 1.1 ASX Listing Rules

This policy has been drafted in accordance with the ASX Listing Rules. In particular, this policy satisfies Listing Rule 12.9, which requires a listed entity to have a trading policy covering its directors and other key management personnel and regulating trading in its securities during certain “prohibited periods”.

### 1.2 Purpose of policy

- (a) This document sets out the Securities Trading Policy of the Company for the purposes of compliance with the insider trading laws under the Corporations Act.
- (b) The policy includes only a summary of the relevant provisions contained in the Corporations Act and should not be relied upon as legal advice.

### 1.3 Who does this policy apply to?

Part 1 of this Securities Trading Policy applies to all Restricted Personnel and Employees of Waterco Group. Part 2 provides additional requirements for Restricted Personnel.

### 1.4 Defined terms

- (a) **ASX** means the Australian Securities Exchange.
- (b) **Board** means the board of directors of Waterco Limited.
- (c) **Closed Periods** means any period outside the Trading Windows.
- (d) **Company** means Waterco Limited ACN 002 070 733.
- (e) **Company Securities** includes shares in the Company, options over shares in the Company and any other financial products or debt instruments issued by the Company whether they are traded on ASX or unlisted.
- (f) **Corporations Act** means the *Corporations Act 2001* (Cth).
- (g) **Employees** means any person employed by the Waterco Group on a full-time, part-time or casual basis.

- (h) **Inside Information** means information relating to the Company which is not generally available and if the information were known, would be likely to:
- (i) have a material effect on the price or value of the Company's Securities; or
  - (ii) influence persons who commonly invest in securities in deciding whether or not to buy, sell or deal in the Company's Securities.
- (i) **Key Management Personnel** means any person who has authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including:
- (i) Directors;
  - (ii) Chief Executive Officer;
  - (iii) Chief Operating Officer;
  - (iv) Chief Financial Officer; and
  - (v) Chief Commercial Officer
- (j) **Listing Rules** means the listing rules of the ASX.
- (k) **Nominated Person** means a person identified in clause 8.4 of this Securities Trading Policy.
- (l) **Relative** means a spouse (or equivalent) or a dependant of the Restricted Personnel or a company or other entity controlled by the Restricted Personnel. For the avoidance of doubt, a Relative does not include a spouse (or equivalent) or dependant who is not controlled by the Restricted Personnel but acts on their own initiative without reference to the Restricted Personnel. In such cases, the Restricted Personnel should advise these persons that a risk exists that a Court could find a relevant association or that even without such an association, innuendo could arise if buying, selling or dealing occurs in the Company's Securities.
- (m) **Restricted Personnel** means Key Management Personnel, all persons who report to the Key Management Personnel and Relatives of each member of Key Management Personnel.
- (n) **Trading Windows** has the meaning given to it in clause 6.1 of this Securities Trading Policy.
- (o) **Waterco Group** means Waterco and each of its wholly owned subsidiaries.

## **PART 1 – RULES FOR ALL WATERCO EMPLOYEES AND RESTRICTED PERSONNEL**

### **2. WHAT IS THE PROHIBITION AGAINST INSIDER TRADING**

2.1 If you are in possession of Inside Information relating to the Company, the insider trading provisions

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of the Corporations Act prohibit you from:

- (a) applying for, buying, selling or dealing in the Company's Securities;
- (b) advising, procuring or encouraging another person to buy, sell or deal in the Company's Securities; and
- (c) directly or indirectly passing on information to another person, if you know or ought reasonably to know that the person may use this information to buy, sell or deal in the Company's Securities.

2.2 You cannot circumvent the Corporations Act by arranging for a member of your family or a friend to buy, sell or deal in the Company's Securities, nor may you give "tips" including Inside Information to others, including customers.

2.3 Examples of Inside Information include:

- (a) the financial performance of the Company against budget;
- (b) the forecast financial performance of the Company and its budgets;
- (c) entry into or termination of important agreements;
- (d) the intention of the Company to acquire or sell a business or important assets; or
- (e) an unexpected liability.

2.4 Information will be regarded as being generally available, and therefore not Inside Information, if:

- (a) it consists of readily observable matter, which requires the information to be directly observable in a "public arena" such as a judgment in court, a sufficiently detailed news story in a capital city newspaper, a media release or other published statement of the Company; or
- (b) it has been brought to the attention of investors through an announcement to ASX, and a reasonable period has elapsed since the announcement.

### **3. WHAT ARE THE CONSEQUENCES OF INSIDER TRADING?**

3.1 Insider trading is a criminal offence. Breach of the insider trading laws may expose you and/or members of your family and/or other persons to whom you pass Inside Information, to prosecution, punishable by substantial fines or lengthy imprisonment or both, under the Corporations Act.

3.2 Insider trading is subject to the civil penalty provisions under the Corporations Act which empower a court to impose substantial pecuniary penalties, order payment of compensation to person who suffer loss or damage as a result of insider trading and make a disqualification order.

3.3 The Company will also regard breach of the law and/or this policy by the Company's staff as serious misconduct, which may lead to disciplinary action and/or dismissal.

## 4. OTHER IMPORTANT INFORMATION

- 4.1 If you have Inside Information relating to a company other than the Company, the insider trading prohibition also applies to dealing in the securities of that company. In the course of performing your duties as an Employee of the Company, you may obtain price sensitive information relating to another company in a variety of circumstances including but not limited to:
- (a) another company may provide price sensitive information about itself to the Company in the course of a proposed transaction;
  - (b) another company with whom the Company is dealing may provide price sensitive information about a third company; and
  - (c) information concerning the Company or actions which may be taken by the Company could have a material effect on another company. Independent of insider trading laws, Employees are bound by a duty of confidentiality in relation to information obtained in the course of their employment.
- 4.2 A person who possesses inside information about the Company's Securities is prohibited from trading in those Securities under the Corporations Act and this applies even where the trade occurs within a permitted Trading Window specified in this policy.
- 4.3 Before a Restricted Personnel or other Employee trades in the Company's Securities, they should consider carefully whether they are in possession of any Inside Information that might preclude them from trading at that time and, if they have any doubt on that score, they should not trade.

## 5. SHORT TRADING

Restricted Personnel and Employees must not under any circumstances both buy and sell Company Securities within a 30-day period.

## **PART 2 – TRADING POLICY FOR RESTRICTED PERSONNEL**

### 6. DEALINGS IN THE COMPANY'S SECURITIES WITHIN TRADING WINDOWS

- 6.1 Restricted Personnel who are not in possession of Inside Information may buy, sell or deal in the Company's Securities during the following Trading Windows:
- (a) Between 24 hours after and 45 days after release of the Company's half yearly or annual results to the ASX.
  - (b) Between 24 hours after and 45 days after the Company's annual general meeting.
  - (c) Between 24 hours after and 14 days after any announcement to the ASX under the ASX Listing Rule 3.1 made outside the period between the end of a half year or financial year and the release of the results for that period.
  - (d) During the period in which the Company has a prospectus, other disclosure document or

cleansing notice on issue under which people can subscribe for securities.

- 6.2 The following Nominated Persons must be notified before any proposed dealing in the Company's Securities using the form in Schedule A:

<b>Person seeking permission</b>	<b>Nominated Person</b>
Restricted Personnel (other than the Company Secretary)	Company Secretary
Company Secretary	Chairman

- 6.3 The Board may decide to close a Trading Window early, in which case the Company Secretary will advise Restricted Personnel of that fact.
- 6.4 The Board reserves the right to impose a restriction on trading during any period, including one that would otherwise fall within a permitted Trading Window under this policy.

## **7. PROHIBITION AGAINST DEALINGS IN THE COMPANY'S SECURITIES DURING CLOSED PERIODS**

Restricted Personnel must not buy, sell or deal in the Company's Securities during a Closed Period unless Exceptional Circumstances, as identified below, are determined to exist.

## **8. EXCEPTIONAL CIRCUMSTANCES**

- 8.1 Under exceptional circumstances, Restricted Personnel may apply to the appropriate Nominated Person for prior written clearance to deal with the Company's Securities during a Closed Period, provided that they are not in possession of Inside Information.
- 8.2 Examples of exceptional circumstances where the Company may provide prior written clearance to deal with the Company's Securities include:
- (a) a severe financial hardship caused by a pressing financial commitment that cannot be satisfied otherwise than by selling the Company's Securities; or
  - (b) a requirement under a court order (for example in a bona fide family settlement) or some other overriding legal or regulatory requirement to transfer or sell the Company Securities.
- 8.3 Tax liabilities will not ordinarily constitute an exceptional circumstance unless the Restricted Personnel that must pay the tax liability has no other means of satisfying that liability.
- 8.4 Applications to trade in exceptional circumstances must be made to the following Nominated Persons using the form in Schedule B:

<b>Person seeking permission</b>	<b>Nominated Person</b>
Chairman and Chief Executive Officer	Company Secretary and any one of the Company's other Directors
Other Directors	Company Secretary and the Chairman
Company Secretary	Chief Executive Officer and Chairman or, where both those roles are held by the same person, to the Chief Executive Officer and any other Director
Other Restricted Personnel	Company Secretary and any one of the Company's Directors

- 8.5 The permission of the Nominated Person may be sought by completing a "Share Trading Approval Form" (included at Schedule B). Where there is more than one Company Secretary, only one such person need be notified.
- 8.6 The person seeking clearance in such circumstances must satisfy the Nominated Person that the proposed dealing of the Company's Securities is the only reasonable course of action available to them in the circumstances.
- 8.7 The granting of permission is entirely at the discretion of the Nominated Person. The Nominated Person may seek the views of the Board and/or external legal advisers before providing their decision.
- 8.8 A decision to refuse clearance is final and binding on the person seeking the clearance. If the clearance is refused, the person seeking the clearance must keep that information confidential and not disclose it to anyone.
- 8.9 Generally, the Nominated Person should not grant a clearance to trade if they are aware that the Company is likely within the next five business days to release a periodic financial report or other financial data that might come as a surprise to the market or make an announcement of market sensitive information under Listing Rule 3.1.
- 8.10 Any clearance granted will be given in writing to the applicant and will remain effective for 5 business days from the date of the grant of approval.
- 8.11 A clearance to trade may be withdrawn by the Nominated Person(s) if new information comes to light or there is a change in circumstances related to the clearance. If the person seeking clearance comes into possession of Inside Information after receiving a clearance to trade, they must not trade despite having received the clearance.
- 8.12 A person who possesses Inside Information about the Company's Securities is generally prohibited from trading in those Company Securities under insider trading laws and this applies even where a person has been given a clearance under this policy (whether under exceptional circumstances or otherwise).

- 8.13 Any clearance to trade given under this policy is not an endorsement of the proposed trade and the person doing the trading is individually responsible for their investment decisions and their compliance with insider trading laws.
- 8.14 Where a Restricted Personnel breaches this policy by trading in Company Securities during a Closed Period without prior written clearance, the Company may make an announcement to the market explaining the circumstances surrounding the breach and the disciplinary and / or remedial action the Company intends to take.

## 9. EXCEPTIONS TO POLICY

- 9.1 The restrictions on trading in Closed Periods do not apply to:
- (a) transfers of Company Securities that result in no change in beneficial interests;
  - (b) accepting an offer made to all or a majority of securityholders (for example, in a takeover, scheme of arrangement or equal access buy-back);
  - (c) an acquisition of Company Securities under a share plan or a dividend reinvestment plan where the holder did not commence or amend their participation in such a plan during a prohibited period; or
  - (d) the exercise (but not the sale of securities following exercise) of an option under an employee incentive scheme where the final day for exercise falls during a Closed Period and the Company has been in an exceptionally long Closed Period or has had a number of consecutive Closed Periods and the holder could not reasonably have been expected to exercise it at a time when free to do so.
- 9.2 However the holder must still provide prior notification in accordance with this policy. If you are uncertain about any of these exceptions you should also discuss the matter with the Company Secretary or the relevant Nominated Person. A person who possesses Inside Information about the Company's Securities is generally prohibited from trading those securities under insider trading laws and this applies even where the trading falls within one of the above exclusions.

## 10. OTHER RESTRICTIONS

- 10.1 Restricted Personnel are not to trade in financial instruments against Company Securities including, but not limited to:
- (a) margin loans;
  - (b) listed put or call options or equivalent; and
  - (c) stop-loss contracts.
- 10.2 Restricted Personnel and their closely related parties are prohibited under the Corporations Act from entering into an arrangement (with anyone) that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock.

## **11. RETIRING OFFICERS**

- 11.1 Where Restricted Personnel retire from office or employment, it is recommended that they should only buy, sell or deal in the Company's Securities after complying with the conditions outlined below:
- (a) where the retiring Restricted Personnel is aware of profit results of the Company – only after 24 hours from the time those profit results have been released to ASX; and
  - (b) where the Restricted Personnel retires within a period of 45 days prior to the Annual General Meeting of the Company – only after 24 hours from the conclusion of the Annual General Meeting.

## **12. CONSEQUENCES FOR BREACH OF POLICY**

- 12.1 Where a Restricted Personnel disposes of Company Securities in breach of this trading policy, the Company may require that person to donate any profit derived from the disposal to charity.
- 12.2 Where a Restricted Personnel acquires Company Securities in breach of this trading policy, the Company may require that person to sell the Company Securities at the earliest opportunity they are able to under insider trading laws and donate any profit derived from the sale to charity.

## **13. REPORTING TO THE BOARD**

- 13.1 The Company Secretary must report any transactions by Restricted Personnel in the Company's Securities that occur at any time to the Board.
- 13.2 The Company Secretary will maintain a Register of Directors' Interests – details of any changes will be noted in Board papers for the next Board meeting.
- 13.3 The Company Secretary will maintain a record of all share trading notifications (forms in Schedule A) and all applications for clearance to trade by Restricted Personnel (forms in Schedule B) and the decisions made on such applications. Restricted Personnel must also keep a register of their trading in the Company's Securities and must make a copy of that register available to the Company on request.
- 13.4 The Company and its directors will comply with ASX Listing Rules 3.19A and 3.19B concerning notifiable interests of directors.

## **14. REVIEW**

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

## **15. APPENDICES**

- 15.1 Share trading notification form
- 15.2 Share trading approval form in a closed period



**SCHEDULE A**

**SHARE TRADING NOTIFICATION FORM**

**To:** \_\_\_\_\_  
Nominated Person

**From:** \_\_\_\_\_

**Relative or Company name:** \_\_\_\_\_

**Notification:** I or my relatives / company \* propose to buy / sell \*  
\_\_\_\_\_ (insert number and type of securities) in Waterco Limited ACN 002 070 733, during the current Trading Window.

\*Delete as appropriate

**Declaration:** I hereby declare that this dealing is not a result of access to, or receipt of Inside Information as described in the Securities Trading Policy of Waterco Limited and certify that I am not in possession of any Inside Information that might preclude me from trading at this time.

**Signed:** \_\_\_\_\_ (applicant)                      \_\_\_\_\_ (date)

