



# Watpac Limited Code of Conduct for Directors

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May 2019

<b>Position</b>	<b>Name</b>	<b>Signature</b>	<b>Date Signed</b>
Company Secretary	Mark Baker	Mark Baker	21 May 2019

## Revision History

Version	Date	Revision Description	Company Secretary Sign Off
1.0	25/11/14	Initial draft	Mark Baker
2.0	18/02/16	Annual Policy Review	Mark Baker
3.0	21/05/19	Post Delisting Review	Mark Baker

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## **1. Purpose and application**

- 1.1** The purpose of this Code is to record the minimum standards of conduct required of all Directors of Watpac and to set out the key duties imposed on directors under the Corporations Act and the general law.
- 1.2** The Code includes guidelines on the application of the core standards expressed in it. These guidelines are intended to assist the Directors in complying with these standards.
- 1.3** The Code does not purport to be an exhaustive statement of the various key duties, and the Board may approve updates or amendments to the Code from time to time.

## 2. Overview of duties

- 2.1 Good faith:** Each Director must act honestly, in good faith and in the best interest of Watpac as a whole.
- 2.2 Care and diligence:** Each Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- 2.3 Proper purpose:** Each Director must use the powers of office for a proper purpose, in the best interests of Watpac as a whole.
- 2.4 Improper use of information:** Each Director must not make improper use of information acquired as a Director.
- 2.5 Improper advantage:** A Director must not improperly use information acquired as a Director to gain an advantage for themselves or someone else, or to cause detriment to Watpac.
- 2.6 Conflict of interest:** Each Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of Watpac.
- 2.7 Independence:** Each Director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- 2.8 Confidentiality:** Confidential information received by a Director in the course of the exercise of Directorial duties remains the property of Watpac and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by Watpac, or the person from whom the information is provided, or is required by law (even after the Director ceases to be a Director of Watpac).
- 2.9 Conduct:** Each Director must not engage in conduct likely to bring discredit upon Watpac and should ensure compliance with all applicable Watpac Policies at all times.
- 2.10 Adherence to Code:** Each Director has an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code.

### **3. Guidelines for the interpretation of principles**

- 3.1** The Director's Guide provides details of the responsibilities and expectations of Directors in complying with the core principles of the Code. While not exhaustive they include Directors' responsibilities to Watpac, to Shareholders, to Creditors and to other stakeholders of the Company.

## 4. Due diligence

- 4.1 Board and Committee meetings:** Each Director should attend all Board meetings and meetings of Committees of which they are a member, but where attendance at meetings by Directors is not possible, appropriate steps should be taken by them to obtain a leave of absence, the approval of which vests with the Board.
- 4.2 Acquire knowledge:** Each Director must acquire knowledge about the business of Watpac, the statutory and regulatory requirements affecting Directors in the discharge of their duties to Watpac, and be aware of the physical, political and social environment in which it operates.
- 4.3 Access to information:** In order to be fully effective, a Director should insist upon access to all relevant information to be considered by the Board. This information should be made available in sufficient time to allow proper consideration of all relevant issues. In the extreme circumstances where information is not provided the Director should make an appropriate protest about the failure on the part of Watpac to provide the information and if necessary abstain from voting on the particular matter on the basis that there has not been the time necessary to consider the matter properly. Any abstention and the reasons for it should be included in the minutes. It may also be appropriate to vote against the motion or move for deferment until proper or more complete information is available.
- 4.4 Appropriate systems:** Each Director should endeavour to ensure that systems are established within Watpac to provide the Board, on a regular and timely basis, with necessary data to enable them to make a reasoned judgment and so discharge their duties of care and diligence.
- 4.5 Auditors:** Each Director should endeavour to ensure that relations between the Board and the auditors are open, unimpeded and constructive. Similarly, the auditors should have direct and unimpeded access to the Directors. A Director should be satisfied that the scope of the audit is adequate and that it is carried out thoroughly and with the full cooperation of management and the internal auditors, where relevant.
- 4.6 Complies with law:** Each Director should endeavour to ensure Watpac complies with the law and strives for the highest standards of business and ethical conduct.



## **5. Conflicts of interest**

- 5.1** Directors' responsibilities in relation to conflicts of interest are included in the Corporations Act and the Director's Guide.
- 5.2** Conflicts of interest will be managed by the Company in accordance with the Directors' Material Personal Interest Policy.

## 6. Use of information

- 6.1 Improper use of information:** Directors have a responsibility to comply with the obligations relating to the proper use of information as is required under the Corporations Act and as documented in the Director's Guide.

## 7. Professional integrity

- 7.1 Debate:** Each Director should recognise that the position occupied is particularly sensitive. A Director must be prepared, if necessary, to express disagreement with colleagues including an executive Director. However, in the absence of a need to express disagreement, a Director should be prepared to implement the decisions of the Board as a loyal member of the Board.
- 7.2 Independent advice:** If there is any doubt about whether a proposed course of action is inconsistent with a Director's fiduciary duties then the course of action should not be supported. Independent advice should be sought as soon as possible to clarify the issue.
- 7.3 Opinion shopping:** 'Opinion shopping' and the search for loopholes in the law is unacceptable.

## **8. Review**

- 8.1** The Board must review this Code and consider any changes at least once every two years. Any changes to this Code, except changes of an administrative nature, must be approved by the Board.

## 9. Definitions

In this Code, the following terms have the corresponding meaning:

**BESIX Group** means BESIX Group SA

**Board** means the board of directors of Watpac.

**Code** means this Code of Conduct for Directors as adopted by the Board.

**Committee** means a Board committee established by the Board.

**Company** means Watpac Limited.

**Creditors** means creditors of Watpac.

**Corporations Act** means the Corporations Act 2001 (Cth) as amended from time to time.

**Director** means a director of Watpac.

**Director's Guide** means the Director's Guide adopted by the Board.

**Executive Committee** means the group managed by the Managing Director and comprising the Chief Operating Officer and Chief Financial Officer and Company Secretary.

**Material Personal Interest Policy** means the Material Personal Interest Policy adopted by the Board.

**Shareholders** means shareholders of Watpac.

**Watpac** means Watpac Limited ABN 98 010 562 562 and its subsidiaries.

**Watpac Policies** means, in addition to this document:

- Watpac's Board and Executive Committee Charter, the Directors' Material Personal Interest Policy and the Directors' Guide; and
- the BESIX's Group Rules, Code of Conduct and Code of Conduct for Responsible and Sustainable Procurement as well as the policies complementing those Rules and Codes for all BESIX controlled entities.

## **10. Further assistance**

If you have any questions about this Code, you should contact the Company Secretary (Telephone: 07 3251 6446).