



Watpac Limited Continuous Disclosure Policy

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Position	Name	Signature	Date Signed
Chair of Board	Dick McGruther	Dick McGruther	18/02/16
Managing Director	Martin Monro	Martin Monro	18/02/16
Chief Financial Officer / Company Secretary	Mark Baker	Mark Baker	18/02/16

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1. Purpose

1.1 The purpose of this Continuous Disclosure Policy is to:

- (a) set out the general and continuous disclosure obligations of Watpac under the Listing Rules and the Corporations Act 2001 (Cth);
- (b) ensure Watpac's commitment to these disclosure obligations are promulgated throughout the organisation; and
- (c) develop processes to ensure and monitor compliance with this policy.

2. What information must be disclosed?

- 2.1 In accordance with legal, statutory and ASX listing requirements (particularly Listing Rule 3.1), Watpac will disclose all information concerning it, of which it is or becomes aware, that a reasonable person would expect to have a material effect on the price or value of its securities.
- 2.2 Information will be taken to have a material effect on the price or value of Watpac's securities if a reasonable person would expect the information to, or be likely to, influence persons who commonly invest in securities in deciding whether or not to trade the securities.
- 2.3 Materiality must be assessed having regard to all relevant background information, including past announcements that have been made by Watpac and other generally available information. Material matters may include those that are strategic or reputational in nature, as these can be just as important as (or even more important than) financial or other quantifiable matters.
- 2.4 This information is known as Market Sensitive Information and it is important that all Watpac Directors, employees and consultants are aware of their obligations and the obligations of Watpac as set out in this Policy.

3. When must Watpac disclose the information?

- 3.1 Under Listing Rule 3.1, Market Sensitive Information must be disclosed to the ASX "immediately" upon Watpac being aware of the information unless one of the exceptions described at Section 4 apply.
- 3.2 The term "immediately" does not mean "instantaneously" but does mean "promptly and without delay".
- 3.3 The Company Secretary should refer to Guidance Note 8 if there is any doubt as to whether the information may be Market Sensitive Information.
- 3.4 If the Company Secretary, in consultation with the Chair, is not in a position to decide whether to disclose information to the ASX, the Board should consider whether an immediate trading halt should be requested (discussed further at Section 11 of this Policy).

4. Exceptions

4.1 Watpac will not need to disclose information if:

- (a) one or more of the following applies:
 - (i) it would breach the law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for internal management purposes; or
 - (v) the information is a trade secret; and
- (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- (c) a reasonable person would not expect the information to be disclosed.

4.2 When Watpac is relying on an exception, or is involved in a development that may eventually require reliance on an exception, appropriate confidentiality protocols must be adhered to. A leak of confidential information will immediately deny Watpac the ability to withhold the information from the ASX and force it to make a 'premature' announcement.

4.3 If ASX considers that there is or is likely to be a false market in Watpac's securities and asks Watpac to give it information to correct or prevent a false market, Watpac must give ASX the information needed to correct or prevent the false market – even if an exception would apply but for ASX's request.

5. Examples

Examples of information that would need to be disclosed under Listing Rule 3.1 are set out below:

- (a) financial performance and material changes in financial performance or projected financial performance;
- (b) changes in relation to Directors and certain senior executives (including the Group Senior Executive Team);
- (c) mergers, acquisitions, joint ventures, divestments or material changes in assets;
- (d) significant developments in new projects or ventures;
- (e) material changes to capital structure or funding;
- (f) industry issues which have, or which may have, a material impact on Watpac;
- (g) decisions on significant issues affecting Watpac by regulatory authorities; and
- (h) material information affecting joint venture partners or non-wholly owned subsidiaries.

These examples are not exhaustive and there are many other examples of information that potentially could be market sensitive.

6. Who determines what should be disclosed?

- 6.1 The Company Secretary, in consultation with the Chair, has responsibility for determining whether a particular piece of information is Market Sensitive Information or falls within an exception, otherwise the information should be provided to the ASX for a determination.
- 6.2 The decision to disclose particularly significant Market Sensitive Information requires the prior approval of the Board. However, the Company Secretary is authorised to release any announcement that relates to ordinary business activities or is of a procedural or administrative nature.
- 6.3 Where an announcement that would ordinarily require Board approval must immediately be disclosed and such approval cannot be obtained in advance, the Company Secretary, in consultation with the Chair is responsible for requesting a trading halt. At the earliest opportunity, the Board will then consider what, if any, further steps need to be taken.

7. Continuous disclosure compliance

The Company Secretary has responsibility for:

- (a) ensuring employees (including Directors and officers) have access to a copy of this policy as well as a copy of Guidance Note 8, which highlights the general principles and obligations set out in Chapter 3 of the Listing Rules pertaining to continuous disclosure;
- (b) conducting education sessions for new staff members as appropriate;
- (c) ensuring that Watpac has an effective reminder system regarding the obligations of employees to notify the Company Secretary of matters that may be disclosable under this policy and to otherwise comply with this policy (which may be via email, in staff meetings or by refresher courses conducted annually);
- (d) including in the reminder system a requirement that all staff members report potential breaches of this policy directly to the Company Secretary; and
- (e) ensuring that Directors and officers are briefed in detail regarding the continuous disclosure regime.

8. Obligation to inform

8.1 As soon as Directors, employees or consultants become aware of information:

- (a) that is not generally available (i.e. the information in question has not been included in any ASX release, annual report or other publication of the Watpac); and
- (b) which may be price sensitive (i.e. it is likely to have a material financial or reputational impact upon Watpac);

they must provide to the Company Secretary the following information:

- (a) a general description of the matter;
- (b) details of the parties involved;
- (c) the relevant date of the event or transaction;
- (d) the status of the matter (eg whether negotiations are still in progress);
- (e) the estimated value of the transaction;
- (f) the estimated effect on the Company's finances or operations if it can be reliably estimated; and
- (g) any other information requested by the Company Secretary.

8.2 Watpac Directors, employees and consultants should consult with the Company Secretary if they become aware of information that may be Market Sensitive Information (irrespective of whether the Director, employee or consultant considers the information to be Market Sensitive Information or not).

8.3 It is important for Watpac Directors, employees and consultants to provide such information to the Company Secretary as Watpac must have proper processes in place to ensure that Market Sensitive Information is brought to the attention of its officers in a timely and efficient manner.

8.4 The Company Secretary has the delegated authority of the Board to investigate any matters he or she deems necessary to ensure Watpac complies with its continuous disclosure obligations under the Corporations Act or Listing Rules (and to investigate any queries, investigations, notices or other matters raised by ASIC or the ASX in relation to Watpac's continuous disclosure obligations).

9. Communication channels

- 9.1 This policy provides that information will be communicated to shareholders and the market through:
- (a) the Annual Report which is distributed to shareholders;
 - (b) the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
 - (c) the Half-Yearly Directors' and Financial Reports; and
 - (d) other announcements released to ASX as required under the continuous disclosure requirements of the Listing Rules and other information that may be mailed to shareholders.
- 9.2 Watpac will actively promote communication with shareholders through a variety of measures, including the use of Watpac's website, media releases and email. The Company's reports and ASX announcements will be available for viewing and downloading from its website: www.watpac.com.au or the ASX website: www.asx.com.au under ASX code WTP.
- 9.3 Watpac's Annual Report is the main vehicle for communicating with shareholders on the activities and performance of the Company in the previous 12 months. The Annual Report will be posted on Watpac's website and will be downloadable.

10. Contravention of obligations

10.1 Contravention by Watpac and involved persons

- (a) If Watpac does not provide the ASX with the information that is required to be disclosed, it will have committed an offence under the Corporation Act 2001 (Cth). If persons are "involved" in the contravention they may also have committed an offence.
- (b) A person may be involved in a contravention by Watpac of its continuous disclosure obligations if that person intentionally participated and had actual knowledge of the essential elements of the contravention.

10.2 Infringement notice

The Australian Securities and Investment Commission may issue an infringement notice to Watpac if it considers that Watpac has contravened its continuous disclosure obligations. If Watpac does not comply with the infringement notice, ASIC may commence proceedings against Watpac.

10.3 Potential penalties

Watpac may be liable for a criminal liability or a civil penalty as a result of Watpac's failure to disclose the information (depending on the nature of the contravention).

10.4 Other consequences

A failure by a Watpac employee or the company to comply with its continuous disclosure obligations may also:

- (a) damage Watpac's commercial reputation
- (b) affect commercial arrangements Watpac has entered into or intends on entering into;
- (c) result in negative publicity for the company;
- (d) undermine confidence in the market for Watpac's securities;
- (e) decrease shareholder value in the company.

11. Trading halts and voluntary suspension

- 11.1 Watpac may request a trading halt to be used in the interests of maintaining a fully informed, fair and transparent market. The ASX views a trading halt as a good corporate governance mechanism to manage an unexplained price and/or volume change until an announcement can be made.
- 11.2 A trading halt may be requested to ensure premature disclosure is not made where a more detailed disclosure of information is required. If it is not certain whether to disclose certain information, or Watpac needs to further consider its position, it may be appropriate to immediately request a trading halt.
- 11.3 The Board may authorise a trading halt to be requested but in the absence of an immediate decision by the Board, any two people from paragraphs (a) and (b) may jointly decide it is appropriate to request a trading halt:
- (a) the Chairman, or in his or her absence, another non-executive Director; and
 - (b) the Company Secretary or the Managing Director.
- 11.4 Under the Listing Rules, a trading halt may only last for a period not exceeding the commencement of normal trading on the second trading day following the day on which the trading halt is imposed. For example, if Watpac obtained a trading halt on Monday the securities would come out of the trading halt on the commencement of trading on Wednesday.
- 11.5 In some circumstances it may be appropriate for Watpac to request voluntary suspension. This involves a suspension of Watpac's securities from quotation on the ASX under Listing Rule 17.2.
- 11.6 Generally, a request to voluntarily suspend Watpac's securities from quotation must be approved by the Board. Voluntary suspension will generally only be requested where a longer period of time is required than would otherwise be available if a trading halt was granted.
- 11.7 The Board must consider requesting a voluntary suspension if Watpac has been in a trading halt pending an announcement and it becomes clear that Watpac will not be in a position to make the anticipated announcement before the end of the trading halt.

12. Disclosure agreements

All Directors have, and new Directors shall, enter into a Director Disclosure Agreement with Watpac (as set out in Guidance Note 22 of the Listing Rules). The Company Secretary is to maintain records of signed copies of these agreements.

13. Release of ASX announcements

Watpac recognises that non-public, material information (which may include positive as well as negative information affecting the prospects for Watpac), must be released in a timely manner and when released, must be made broadly available to the market. Accordingly, all new material information in the first instance will be released to the ASX.

14. Market speculation and rumours

As a policy matter, Watpac will not comment on market speculation or rumours unless, in the circumstances, the speculation or rumour indicates that the subject matter is no longer confidential and therefore the exception to disclosure no longer applies. This would amount to a breach of Listing Rule 3.1B or other applicable laws. Watpac employees must comply with this requirement.

15. Dealing with the media and analysts

15.1 Authorised media enquiries

- (a) All media enquiries relating to Watpac are to be coordinated by the Corporate Affairs Manager, under the direction of the Managing Director. Media comment will be made only by the Chair, the Managing Director or other spokesperson authorised by the Managing Director.
- (b) Following approval from the Managing Director, the Chair or Company Secretary in consultation with the Chair, will approve all press releases referring to material issues prior to release.

15.2 Private briefings and price sensitivity

- (a) Watpac may actively seek to provide private briefings to analysts, institutions and stockbrokers to enhance their understanding of the Company, provided it is not during a communication blackout period. These private briefings must not involve the disclosure of price-sensitive information.
- (b) The Company's communication blackout period is from the end of a financial reporting period to the announcement of financial results.
- (c) At least one of the Company Secretary, Managing Director or Chair must participate in private briefings.
- (d) If any new information is expected to be provided, details must be lodged with the ASX prior to that meeting. If price-sensitive information is inadvertently disclosed at a private briefing, then the information must be announced to the ASX as soon as practicable.
- (e) If an analyst asks a question at a private briefing which touches on a price-sensitive area, then only publicly available information can be used in the answer. Where this is not possible, then a response should be declined, or taken on notice and answered after a general disclosure to the ASX has been made.

15.3 Records

- (a) In any private briefing at least two Watpac representatives should typically be present and a record of the meeting be taken. In respect of telephone conversations with investors, analysts and the media, a record should be made of the conversation.
- (b) Watpac representatives should provide any such records to the Company Secretary who is responsible for keeping such records on file for a reasonable amount of time.

16. Policy breaches

Strict compliance with this policy is mandatory for all Watpac Directors, officers and employees. Breaches of this policy may lead to disciplinary action being taken including dismissal in serious cases.

17. Review

The Company Secretary must review this Policy and recommend any changes at least once every two years and any changes to this Policy, except changes of an administrative nature, must be approved by the Board.

18. Definitions

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

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ABN 98 008 624 691.

Board means the board of Directors of Watpac.

Guidance Note 8 means Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B published by the ASX (and as amended from time to time).

Group Senior Executive Team means the group managed by the Managing Director and comprising the Chief Financial Officer and Company Secretary, Group Commercial Manager, General Manager (Construction), General Manager (Mining & WA Civil), Group Human Resources Manager, State Manager (Victoria Construction), General Manager (Specialty Services), State Manager (Queensland and NT Construction), State Manager (SA Construction) and the State Manager (NSW and ACT Construction).

Listing Rules mean the Listing Rules published by the ASX.

Market Sensitive Information means the information described in Section 2.

Policy means this Continuous Disclosure Policy as adopted by the Board.

Watpac means Watpac Limited ABN 98 010 562 562.

19. Helpline

If you have any questions about this Policy, you should contact the Company Secretary (Telephone 07 3251 6442).