



**DUXTON**  
WATER LTD

## **CONTINUOUS DISCLOSURE POLICY**

**Duxton Water Limited**  
ACN 611 976 517

## Continuous Disclosure Policy

### 1. Introduction

This Policy imposes obligations and procedures on Duxton Water Limited ACN 611 976 517 (**Company**) and Duxton Capital (Australia) Pty Ltd ACN 164 225 647 (being the external manager of the Company) (**Manager**) to ensure the timely and balanced disclosure of all material matters concerning the Company. Compliance with this Policy is critical and failure to comply could lead to civil or criminal liabilities and have a damaging impact on the perception of the Company within the investment community.

### 2. Application

- 2.1 This Policy applies to all Directors, the Company Secretary ("**Secretary**"), the Manager and other contractors of the Company ("**Relevant Persons**").
- 2.2 This Policy has been endorsed by the Board of Directors of the Company. The Board bears the primary responsibility for the Company's compliance with its continuous disclosure obligations and is therefore responsible for overseeing and implementing this Policy.
- 2.3 The ultimate decision on whether material information must be disclosed to the ASX rests with the Board.

### 3. Objectives

The objectives of this Policy are to:

- 3.1 ensure that the Company is able to meet its continuous disclosure obligations under the Australian Securities Exchange (**ASX**) Listing Rules and the *Corporations Act 2001* (Cth); and
- 3.2 establish internal procedures so that all Relevant Persons understand their obligations to ensure:
  - 3.2.1 confidential information is protected; and
  - 3.2.2 disclose Price Sensitive Information (as defined in clause 4.1 and further explained in clause 6) to the Board.

### 4. Continuous disclosure – legal considerations

- 4.1 Chapter 3 of the ASX Listing Rules deals with the continuous disclosure requirements that a listed company must satisfy. In particular, Listing Rule 3.1 states that once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities (**Price Sensitive Information**), the entity must immediately inform the ASX of that information.

There is, however, an exception to the disclosure of Price Sensitive Information in Listing Rule 3.1. This exception applies when:

- 4.1.1 a reasonable person would not expect the information to be disclosed;

- 4.1.2 the information is confidential and ASX has not formed a view otherwise; and
- 4.1.3 one or more of the following applies:
  - 4.1.3.1 it would be a breach of law to disclose the information;
  - 4.1.3.2 the information concerns an incomplete proposal or negotiations;
  - 4.1.3.3 the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - 4.1.3.4 the information is generated for the internal management purposes of the Company; or
  - 4.1.3.5 the information is a trade secret.
- 4.2 The Listing Rules also provide that if the ASX considers that there is or is likely to be a false market in an entity's securities, and asks the entity to give information to correct or prevent a false market, the entity must give ASX the information needed to correct or prevent the false market.
- 4.3 Examples of information that would need to be disclosed under ASX Listing Rule 3.1 are set out in the Schedule to this Policy.

## 5. **Information to be disclosed to the Board**

- 5.1 As soon as any Relevant Persons become aware of information:
  - 5.1.1 that is not generally available (ie the information in question has not been included in any annual report, ASX release or other publication of the Company); and
  - 5.1.2 which may be Price Sensitive Information;they must provide to the Board the following information:
  - 5.1.3 a general description of the matter;
  - 5.1.4 details of the parties involved;
  - 5.1.5 the relevant date of the event or transaction;
  - 5.1.6 the status of the matter (eg final / negotiations still in progress / preliminary negotiations only);
  - 5.1.7 the estimated value of the transaction;
  - 5.1.8 the estimated effect on the Company's finances or operations; and
  - 5.1.9 the names of any in-house or external advisers involved in the matter.
- 5.2 The Company has put in place arrangements with the Manager to ensure that it promptly informs the Board of any Price Sensitive Information and that it

operates policies and procedures that are consistent with those of the Company.

- 5.3 The Board, in consultation with the Secretary, will consider whether disclosure to ASX is required.

## 6. **What is Price Sensitive Information?**

The Board is responsible for making decisions about what information will be disclosed. As noted in paragraph 4.1 above, whether information constitutes Price Sensitive Information depends on whether it is material.

### 6.1 **Materiality**

- 6.2 Information is material if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.
- 6.3 This needs to be looked at against the circumstances affecting the Company at the time, any external information that is publicly available at the time and any previous information the Company has provided to the market.
- 6.4 Materiality is assessed against this qualitative test, considering the Company's business activities, size and place in the market.
- 6.5 A quantitative assessment may also be undertaken by the Board as part of, but not in substitution for, the materiality test.
- 6.6 To ensure that there is no pre-judgment of the materiality test, Relevant Persons must inform the Secretary of any potentially material price or value sensitive information or proposal as soon as they become aware of it.
- 6.7 Examples of the types of information which may require disclosure are set out in the Schedule to this Policy.
- 6.8 Information regarding the financial position, performance, ownership and governance of the Company also may constitute Price Sensitive Information.
- 6.9 There are many other types of information that could give rise to a disclosure obligation. For example, developments in companies which are affiliated with, but not controlled by, the Company may be Price Sensitive Information when related to the Company itself. Any questions on whether particular information is Price Sensitive Information should be immediately directed to the Board.

## 7. **Timing of releases**

Any Price Sensitive Information must be released to the market through ASX. The Company will place all information disclosed on its website following confirmation of receipt by ASX.

## 8. **Disclosure of information externally**

- 8.1 Unless disclosed in accordance with this Policy, potentially Price Sensitive Information should be treated as strictly confidential. In particular, information concerning an incomplete proposal or negotiation, or information which is insufficiently definite to warrant disclosure, should not be disclosed externally

of the Company and Manager eg. to analysts, professional bodies, the media or any other person (**External Persons**) and should only be disclosed internally to the minimum number of persons possible.

- 8.2 Any general confidentiality guidelines put in place by the Board or Manager must be followed.
- 8.3 Potentially Price Sensitive Information must not be selectively disclosed to External Persons prior to being announced to the ASX.
- 8.4 If any Relevant Person is proposing to present any potentially Price Sensitive Information to External Persons (eg. at an analyst briefing) or make any media release, they should ensure that copies of their material are provided to the Board prior to presenting that information externally or making that media release. All material to be presented at a general meeting of shareholders also must be approved by or referred through the Board prior to briefing.
- 8.5 Unless otherwise approved by the Board, the only persons authorised to speak on behalf of the Company on market disclosure issues are:
  - 8.5.1 the chair of the Board ("**Chair**"); and
  - 8.5.2 the Secretary.
- 8.6 All enquiries from External Persons and shareholders must be referred to the Secretary and the Chair.
- 8.7 When presenting Price Sensitive Information which has been approved by the Board, discussion should be limited to the scope of the approved material. Issues beyond this scope should only be discussed if the relevant information has already been announced to ASX. If a question can only be answered by disclosing potentially Price Sensitive Information, the person should decline to answer or take the question on notice.
- 8.8 If potentially Price Sensitive Information is leaked or inadvertently disclosed to External Persons, that information should immediately be provided to the Board.

## 9. **Trading halts**

- 9.1 The Company may request a trading halt from the ASX to prevent trading in the Company's securities by an inefficient and uninformed market.
- 9.2 The Secretary will manage the process of seeking a trading halt in consultation with the Board.

## 10. **ASX liaison**

The Board has appointed the Secretary to act as its ASX liaison officer, being the person responsible for communicating with ASX in respect of ASX Listing Rule matters generally (in accordance with ASX Listing Rule 12.6).

**11. Consequences of contraventions**

The Company contravenes its Australian continuous disclosure obligations if it fails to notify the ASX of the information required by ASX Listing Rule 3.1 to be disclosed. If the Company contravenes this obligation by failing to notify the ASX of information:

11.1 that is not generally available; and

11.2 that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of securities issued by the Company;

it, and its officers may be guilty of an offence under the *Corporations Act 2001* (Cth).

**12. Public availability of materials**

This Policy or a summary of its main provisions shall be made publicly available on the Company's website in a clearly marked corporate governance section.

Adopted on 25 July 2016

## **SCHEDULE**

### **EXAMPLES OF INFORMATION THAT MAY REQUIRE DISCLOSURE**

In notes to Listing Rule 3.1, the ASX has included in the following non-exhaustive list of examples of information which would need to be disclosed under Listing Rule 3.1 if it is material:

1. A transaction that will lead to a significant change in the nature or scale of the entity's activities.
2. A material acquisition or disposal.
3. The granting or withdrawal of a material licence.
4. The entry into, variation or termination of a material agreement.
5. Becoming a plaintiff or defendant in a material law suit.
6. The fact that the entity's earnings will be materially different from market expectations.
7. The appointment of a liquidator, receiver or administrator.
8. The commission of an event of default under, or other event entitling a financier to terminate, a material financing facility.
9. Under subscriptions or over subscriptions to an issue of securities.
10. Giving or receiving a notice of intention to make a takeover.
11. Any rating applied by a ratings agency to an entity or securities of an entity and any change to such a rating.