

ASX RELEASE

27 November 2014

ASX Market Announcements
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Securities Trading Policy

In accordance with Listing Rule 12.10, please find attached a copy of the Watpac Limited Group's new Securities Trading Policy, which was endorsed by the company's Board of Directors on 24 November 2014.

Yours sincerely
WATPAC LIMITED



Mark Baker
COMPANY SECRETARY

Watpac Limited

Securities Trading Policy

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1. PURPOSE

The purpose of this policy is to ensure that Directors and employees of Watpac, and any of its subsidiary companies, do not trade in the securities of Watpac or other companies in a way which:

- (a) breaches the Corporations Act and/or other legislative prohibitions on insider trading; or
- (b) compromises confidence in the company's practices in relation to securities dealings.

The restrictions and procedures in relation to the company's securities apply equally to trading in all types of the company's securities including shares, options, warrants, debentures and notes.

A failure to comply with this policy will result in disciplinary action which may include dismissal from employment. Substantial criminal penalties apply to both the company and the individual who contravene the Corporations Act requirements in respect of insider trading.

2. APPLICATION

This policy applies to all Directors and employees of Watpac and its subsidiaries.

For the purposes of this policy, Directors shall mean directors and company secretaries of Watpac and its subsidiary companies. Senior management includes all members of the Group Senior Executive Team and their direct reports.

For the purpose of this policy, the definition of Directors and employees of Watpac includes Connected Persons. Employees must take appropriate steps to ensure that their Connected Persons do not breach this Policy.

3. INSIDE INFORMATION

If an employee or Director possesses Inside Information, the person must not:

- (a) trade in Watpac securities;
- (b) advise others or procure others to trade in the company's securities; or
- (c) pass on the inside information to others – including colleagues, family or friends – knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, securities.

"Inside information" is information that:

- (a) is not generally available; and
- (b) if it were generally available, it would, or would be likely to influence investors in deciding whether to buy or sell the company's shares or other securities.

Inside Information may include matters of supposition, matters that are not yet certain and matters relating to a person's intentions.

If a person has Inside Information the person is prohibited by law from buying or selling the Company's securities until after that information has been disclosed by the Company to the ASX.

Insider trading is prohibited under the Corporations Act. If a person described in this Policy breaches insider trading laws, penalties could include imprisonment. The person who passes on the information and the person who uses it in trading securities both commit offences under the Corporations Act.

4. **CONTINUOUS DISCLOSURE**

Watpac is required under the Listing Rules to immediately disclose all information which may have a material effect on the price or value of the company's shares. Watpac Directors and employees should refer to the policy on continuous disclosure of such information in the Continuous Disclosure Policy.

In some circumstances, Directors and employees may come into possession of potentially price sensitive information before the company has made that information available to the market. In these circumstances it is imperative that all Directors and employees comply with this Policy to ensure they keep that information confidential and do not trade in securities before that information is released and/or becomes generally available. To deal in Watpac securities at these times would breach the insider trading provisions of the Corporations Act as described above.

5. **TRADING POLICY**

A Director and employee must not deal in securities of Watpac:

- (a) when they are in possession of price sensitive information relating to the company which is not generally available to the market; or
- (b) when Watpac is in possession of price sensitive or Inside Information and the person is notified by Watpac that they must not deal in securities for a specified period or until Watpac gives further notice.

Reference should be made to the requirements included in the Continuous Disclosure Policy when considering whether price sensitive or Inside Information exists.

The restriction applies to all dealings in Watpac's securities despite any approval given by Watpac.

6. **TRADING WINDOWS**

6.1 This part of the Policy applies to the following persons:

- (a) all Directors, the Managing Director and senior management (including members of the Group Senior Executive Team);
- (b) direct reports to the above individuals;
- (c) all other Key Management Personnel; or
- (d) any other personnel who are likely to receive price sensitive or Inside Information.

(Relevant Persons).

6.2 Where there is no restriction on trading, Relevant Persons may deal in Watpac's securities during any of the following periods:

- (a) the four week period commencing at 10:00am AEDST on the next trading day after a profit guidance announcement to the ASX in respect of either the next half-year or full-year result; and
- (a) the four week period commencing at 10:00am AEDST on the next trading day after the announcement to the ASX of the preliminary final statement or full-year result;
- (b) the four week period commencing at 10:00am AEDST on the next trading day after the announcement to the ASX of the half-year result; and
- (c) any other period that Watpac specifies from time to time.

6.3 Relevant Persons must not deal in Watpac's securities outside of these trading windows **(Closed Period)**.

6.4 Relevant Persons must notify the Company Secretary of their intention to trade before they do, to ensure that they are not in possession of material information that is not generally available.

6.5 Where doubt exists as to the possession of material information not available to the market, advice should be sought from the Company Secretary by the Relevant Person.

7. **SPECIAL CIRCUMSTANCES**

7.1 **Permission to trade**

Trading during any Closed Period may only be permitted with prior approval of the Audit and Risk Committee where there are exceptional circumstances (such as severe financial hardship) and the Director or member of the senior management is not aware of inside information.

A request to trade in exceptional circumstances must be made in writing addressed to the Company Secretary. The Company Secretary will liaise with the Chair in determining whether approval should be granted. The Company Secretary should refer to Guidance Note 27 regarding any decision to approve trading in exceptional circumstances.

Where such approval is obtained, the relevant trade will need to take place within five days.

7.2 Prohibition on short term trading

Neither Directors nor employees should engage in short term trading in the company's securities at any time. They should therefore not enter into margin loans which could cause a forced trade by a margin lender during a blackout period or while in possession of inside information.

Short-term trading includes buying and selling securities on market within a 3 month period, and entering into other short-term dealings (for example, forward contracts).

7.3 Prohibition on the use of derivative instruments relating to Watpac securities

Relevant Persons should not trade in instruments or other financial products which operate to limit the economic risk of any Watpac securities held under any equity based incentive schemes provided by the company while those holdings are subject to performance hurdles or are otherwise unvested. Any sale or other trade involving those securities after they have vested and performance hurdles have been met must be done in compliance with this Policy.

7.4 Where a Relevant Person enters into a hedging arrangement in respect of Watpac securities, Watpac may, where appropriate, disclose the fact and nature of the hedge (e.g. in its annual report or to ASX).

7.5 Notification of Director trading

Following a trade of securities by Directors, confirmation of price and quantity and whether the trade took place during a Closed Period, including if prior written clearance was obtained to trade outside of the Closed Period should be provided to the Company Secretary to ensure that the notification obligations of Directors of Watpac under Listing Rule 3.19A or section 205G of the Corporations Act are satisfied.

7.6 Exclusion for non-controlled trading

Certain arrangements might exist where trading in Watpac securities results in no change in beneficial interest such as where trading occurs via investments in a scheme or other arrangement where the investment decisions are exercised by a third party, where the restricted person has no control or influence with respect to trading decisions, or where the trading occurs under an offer to all or most of the security holders of the entity.

Examples may include:

- (a) transfers of Watpac securities already held into a superannuation fund or other saving scheme in which the Relevant Person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Watpac securities) where the assets of the fund or other scheme are invested at the discretion of a third party;

- (c) where a Relevant Person is a trustee, trading in Watpac securities by that trust provided the Relevant Person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the Relevant Person.

If a Relevant Person believes these circumstances are applicable to trading in Watpac shares that have occurred or might occur, they should contact the Company Secretary.

8. DEALING IN SHARES OF OTHER COMPANIES

If a Relevant Person has 'material information' which is not 'generally available', relating to other companies whether listed in Australia, New Zealand or any other jurisdiction, then the same insider trading rules outlined above apply to buying and selling shares in that company. Examples of this may include, but are not limited to, the following:

- (a) another company may provide material information about itself to Watpac in the course of a proposed transaction;
- (b) another company with whom Watpac is dealing may provide material information about a third company;
- (c) information concerning Watpac or actions which may be taken by Watpac (i.e. a planned transaction or strategic change) could reasonably be expected to have an effect on a third party company;
- (d) information regarding the outcome of exploration, appraisal or development activities being undertaken by a joint venturer or client where this information has not been released to the market.

Apart from the application of the insider trading rules to shares in other companies, Directors and employees are also bound by a duty of confidentiality in relation to information obtained in the course of their duties in respect of third parties.

9. CONFIDENTIALITY OF MATERIAL INFORMATION

Directors and employees must ensure that contractors, advisers, consultants and other outside parties retained by the Company who may come into possession of material information are bound by appropriate assurances of confidentiality.

10. KEY ACCOUNTABILITIES

The Company Secretary, in conjunction with the Audit and Risk Committee, is accountable for:

- (a) establishing and reviewing the Securities Trading Policy;
- (b) communicating the policy to Directors and employees;
- (c) providing advice as to compliance with the policy; and
- (d) maintaining guidelines for establishing compliance with this policy and the law relating to dealing in securities (including Listing Rules 12.9 to 12.12 inclusive).

11. REVIEW

11.1 Responsibility

The Company Secretary, in conjunction with the Audit and Risk Committee, must review this Policy and recommend any changes on an annual basis. Any changes to this Policy, except changes of an administrative nature, must be approved by the Board.

11.2 Obligations to notify ASX

Pursuant to Listing Rule 12.10, amendments to this Policy that would constitute a material change and which would require that the amended Policy be given to ASX for release to the market. Material changes would include:

- (a) changes to the fixed periods specified in this Policy when Relevant Persons are prohibited from trading in the entity's securities;
- (b) changes with respect to the trading that is excluded from the operation of this Policy; and
- (c) changes with respect to the exceptional circumstances in which Relevant Persons may be permitted to trade during a prohibited period.

12. DEFINITIONS

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

AEDST means Australian Eastern Daylight Savings Time.

ASX means the ASX Limited ABN 98 008 624 691.

Audit and Risk Committee means the Audit and Risk Committee established by the Board and governed by the Audit and Risk Committee Charter adopted by the Board.

Board means the board of Directors of Watpac.

Closed Period has the meaning given to that term in Section 6.3 of this Policy.

Connected Persons means:

- a family member who may be expected to influence, or be influenced by, the employee in his or her dealings with Watpac or Watpac securities (this may include the employee's spouse, partner and children, the children of the employee's partner, or dependants of the employee or the employee's partner); and
- a company or any other entity which the employee has an ability to control.

Continuous Disclosure Policy means the Continuous Disclosure Policy adopted by the Board and published on the corporate governance section of Watpac's website.

Corporations Act means the *Corporations Act* 2001 (Cth).

Group Senior Executive Team means the group managed by the Managing Director and comprising the Chief Financial Officer and Company Secretary, General Manager

(Construction Division), General Manager (Mining & WA Civil), Group Human Resources Manager, State Manager (Victoria Construction), General Manager (Specialty Services), State Manager (Queensland Construction), State Manager (SA Construction) and the State Manager (NSW Construction).

Guidance Note 27 means Guidance Note 27 Trading Policies as published by the ASX and as may be amended from time to time.

Inside Information has the meaning given to that term in Section 3 of this Policy.

Key Management Personnel has the meaning given to that term in the Listing Rules.

Listing Rules mean the Listing Rules published by the ASX.

Policy means this Securities Trading Policy as adopted by the Board.

Relevant Person means a person identified in Section 6.1 of this Policy.

Watpac means Watpac Limited ABN 98 010 562 562.

13. HELPLINE

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

Prepared By	Mark Baker
Approved By	Board of Directors
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Date	24/11/2014
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Revised By	
Revision	
Approved	