



CODE OF CONUDCT





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1. INTRODUCTION

- 1.1 This code of conduct (“**Code**”) seeks to give the directors and officers of Duxton Water Limited ACN 611 976 517 (“**Company**”) and directors, officers and employees of Duxton Capital (Australia) Pty Ltd (in its capacity as manager of the Company (together “**Relevant Persons**”) guidance on how to best perform their duties and meet their obligations and understand the Company’s corporate governance practices.
- 1.2 The Company is committed to compliance with the Code. Any action contrary to the Code will be treated seriously.
- 1.3 The Company will periodically review and update the Code.

2. INTEGRITY AND PROFESSIONALISM

The Relevant Persons will:

- 2.1 will act honestly and with high standards of personal integrity in all of their dealings for the Company;
- 2.2 will maintain the highest levels of professional conduct in their interactions with colleagues, business partners and in representing the Company in the community;
- 2.3 will not knowingly participate in any unethical activity;
- 2.4 will not discriminate on the grounds of people’s race, religion, gender, marital status or disability;
- 2.5 will be truthful, and not mislead or make any false statements, nor mislead by omission;
- 2.6 will not make promises or commitments that the Company does not intend, or would be unable, to honour; and
- 2.7 must not enter into any arrangement or participate in any activity that would be likely to negatively affect the Company’s reputation.

3. COMPLIANCE WITH THE LAW

3.1 Relevant Persons:

- 3.1.1 will abide by the law at all times;
- 3.1.2 are bound by the laws and regulations, including those applying to the Company members and their respective operations, of the state and country in which they operate; and
- 3.1.3 will not knowingly participate in any illegal activity.

4. CONFLICTS OF INTEREST

4.1 Relevant Persons:

- 4.1.1 will fully disclose any business interest (public or private) and any other matters which may lead to potential or actual conflicts of interest, including any potential related party transactions in accordance with such policies adopted by the Company from time to time;
- 4.1.2 owe their first duty to, and must act in the best interests of, the Company. In circumstances where other potential roles (whether serving as directors, manager or trustees of another organisation), arrangements or activities potentially conflict with the Company's interests, the Relevant Persons will advise and seek approval from the Chair in accordance with this Code; and
- 4.1.3 will not use their role within the Company or manager for political interests at any time, or for community interests unless authorised by the Company.

5. CONFIDENTIAL INFORMATION

- 5.1 Relevant Persons must ensure that confidential information relating to the Company and its operations, or any other commercially sensitive matter, are not given either inadvertently or deliberately to third parties without the consent of the Board. Other than in circumstances required by law, there is no reason for Relevant Persons to reveal confidential information. Confidential information which is to be released to legitimately interested third parties shall only be made so available after appropriate authorisation procedures have been followed.
- 5.2 Relevant Persons will maintain and observe their obligations of confidentiality and proper use of information even after ceasing to be engaged by the Company.

6. INSIDE INFORMATION

- 6.1 Relevant Persons must not use inside information for personal gain.
- 6.2 If a Relevant Person has inside information (being price sensitive information, information not in the public domain or information about any entity related to the Company or a strategic partner of the Company which has come to the knowledge of the Relevant Person through their engagement by the Company), the Relevant Person must not deal in that entity's securities or pass that information on to another person or encourage another person to deal in that entity's securities (securities includes shares, units or any form of derivatives such as warrants or options).
- 6.3 Relevant Persons must comply with the Company's Securities Dealing Policy.

7. BENEFITS TO RELEVANT PERSONS

Relevant Persons must not use their status, or the opportunities arising from it to seek personal gain from those doing business or seeking to do business with the Company.

8. CORPORATE OPPORTUNITIES

All Relevant Persons are prohibited from taking for themselves personally or directing to a third party any opportunity that is discovered through the use of corporate property, information, or position without the consent of the Board.

9. PROTECTION AND PROPER USE OF COMPANY ASSETS

- 9.1 All Relevant Persons must endeavour to protect the Company's assets and ensure their efficient use. Any suspected incident of fraud or theft must be immediately reported for investigation. Company assets should be used for legitimate business purposes and should not be used for business not involving the Company.
- 9.2 The obligation to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property, such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information, and any unpublished financial data and reports. Unauthorized use or distribution of this information, including, for example, through social media applications and websites, would violate Company policy.

10. RESPONSIBILITIES TO SHAREHOLDERS AND THE FINANCIAL COMMUNITY

- 10.1 In addition to this Code, the Company is committed to complying with all provisions of its Constitution, the Corporations Act 2001 (Cth), the ASX Listing Rules and all other applicable rules and legislation.

SHAREHOLDERS

- 10.2 The Company has a positive relationship with its shareholders. The Company always attempts to respond to their enquiries and requests as quickly as possible.
- 10.3 The Company is committed to delivering value for shareholders and exerts its best efforts to maximise shareholder benefits.
- 10.4 The Company treats all shareholders equally.

DISCLOSURE

- 10.5 The Company values communication with its shareholders, other stakeholders and the public at large, and will fulfil its duty to make full, fair and timely disclosure of relevant information to shareholders and the ASX.

11. PRACTICES

USE OF COMPANY FUNDS AND RESOURCES

- 11.1 Relevant Persons must not use Company funds, property, equipment or other resources for personal benefit.
- 11.2 Relevant Persons should use Company funds sensibly and effectively. Relevant Persons must report expenditures accurately. The Company will treat submission of a fraudulent expense report as serious misconduct.

CONFLICTS OF INTEREST

- 11.3 Relevant Persons are expected to act at all times in the Company's best interests and to exercise sound judgment unclouded by personal interests or divided loyalties.
- 11.4 Relevant Persons must avoid the appearance of, as well as actual, conflicts of interest in both their performance of duties for the Company and in their outside activities.

BRIBES/FACILITATION PAYMENTS

- 11.5 No facilitation payment or bribe or other unlawful payment or inducement in any form may be made or received, directly or indirectly, to anyone for the purpose of obtaining or retaining business, or to obtain any other favourable action. A violation of this policy will subject the Relevant Person to disciplinary action as well as potential criminal prosecution.

GIFTS

- 11.6 Relevant Persons must exercise extreme care when giving or receiving business-related gifts.
- 11.7 Relevant Persons should exercise particular caution in regard to any offers of value, including hospitality, entertainment and gifts when the Company is negotiating a contract and so may be in a position to influence, directly or indirectly the outcome of a decision. There must not be an impression of an improper connection between any gift and business opportunities.
- 11.8 Relevant Persons must not request gifts from any party with whom the Company conducts business. Relevant Persons must not exchange gifts with the Company's competitors as this may create an actual or perceived conflict of interest.

AGREEMENTS WITH COMPETITORS

- 11.9 Formal or informal agreements with competitors that seek to limit or restrict competition in some way are often illegal. Unlawful agreements include agreements that seek to fix or control prices, allocate products, markets or territories, or boycott certain parties.
- 11.10 To ensure compliance with applicable competition and anti-trust laws, discussions with competitors regarding any of these potential agreements is a violation of Company policy and will subject the Relevant Person to disciplinary action as well as the potential for criminal prosecution.

12. PUBLIC AVAILABILITY OF MATERIALS

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

Adopted on 25 July 2016



DUXTON
WATER