

Code of Ethics and Business Conduct

Updated 20th September 2017

Last updated by: Amelia Williams, Your HRmanager Pty Ltd

Rationale

All staff are expected to conduct themselves professionally, fairly, honestly, with integrity and in adherence to the highest ethical standards and applicable legislation in all dealings and relationships. Waterlogic Australia Pty Ltd (“Waterlogic”) has a zero tolerance policy towards corrupt and dishonest conduct including conflicts of interest, taking or offering bribes, dishonesty using influence, fraud and forgery.

This Policy should be read in conjunction with the Waterlogic Group of Companies Code of Business Conduct, as well as the following Waterlogic policies:

- Anti-Discrimination and Equal Employment Opportunity Policy
- Bullying and Harassment Policy
- Company Property Policy
- Corporate Credit Card Policy
- Drugs, Alcohol and Smoking Policy
- Email Usage Policy
- Expense Reimbursement Procedure
- Internet Access Policy
- Purchasing Policy
- Social Media Policy
- Uniform Policy
- Vehicle Use Policy
- Work Health and Safety Policy

Scope

This Code of Ethics and Business Conduct (“Code”) applies to all Waterlogic workers (all permanent and casual employees, contractors, sub-contractors, volunteers and apprentices).

This Code applies to all Waterlogic workplaces, including Waterlogic offices, client sites and at work-related functions, conferences or other work-related social events.

This Code applies at all times where a Waterlogic worker is acting in the course of their employment or where the worker identifies themselves as a Waterlogic employee in a non-work environment.

General Behaviour Expectations

Employees are required to act in the best interests of Waterlogic and its customers at all times and ensure that its workers, customers and members of the public are not harmed through their actions or inactions.

Waterlogic expects that employees will act with respect and dignity and set an example among their business, personal and professional acquaintances by their conduct.

Waterlogic Australia Pty Ltd

ACN 126 087 509

Registered Office

37 Sundercombe Street

OSBORNE PARK WA 6017

Postal Address

PO Box 160

OSBORNE PARK WA 6917

Tel: 1300 88 14 14

E-mail: info@waterlogic.net.au

Web: waterlogicaustralia.com.au

State Offices:

Perth

Sydney

Melbourne

Brisbane

Adelaide

All employees are to:

- Observe and obey the law in the country and jurisdictions in which they operate;
- Act honestly and ethically;
- Act in a professional, honest, trustworthy and transparent manner;
- Maintain competent performance standards;
- Carry out all reasonable instructions and comply with all Waterlogic Policies and Procedures;
- Maintain a professional approach and appearance befitting 'the face of Waterlogic' to clients and the wider business community;
- Treat everyone, whether workers, clients or the public with equality, courtesy, dignity, respect and sensitivity to others' rights and feelings;
- Protect all Waterlogic assets personally entrusted to them and assist in protecting Waterlogic's assets in general;
- Put the resources of Waterlogic to use in an efficient manner, avoid waste and extravagance;
- Actively maintain Waterlogic's intellectual property rights and confidentiality obligations;
- Foster a safe, fair and equitable work environment and not behave in an unsafe, discriminatory or harassing way to other workers or customers;
- Actively avoid behaviour that constitutes conflict of interest such as receiving inappropriate bribes or gifts, marketing products/services in competition with Waterlogic, or using 'inside information' to gain or maintain a financial interest in any organisation Waterlogic does business with;
- Notify Management of concerns regarding conflict of interest, fraud, bribery, corruption, mismanagement, or other unethical business conduct in contravention of this Code

Conflict of Interest

Employees acting on behalf of Waterlogic must not engage in any activity that involves a conflict of personal interest and the best interests of Waterlogic. In addition, employees should avoid situations where a reasonable observer might assume there is a conflict of interest and, therefore, a loss of objectivity in their dealings on behalf of Waterlogic.

Some examples of a conflict of interest situation may include:

- Using 'inside information' to secure gain, maintain financial interest or avoid a loss in an organisation Waterlogic does business with (whether supplier, customer or otherwise)
- Trading in Waterlogic shares/securities
- Existing financial investment or interest in a customer, dealer, distributor, competitor or supplier of Waterlogic
- Intentions to secure a financial investment or interest in a customer, dealer, distributor, competitor or supplier of Waterlogic
- Other paid or unpaid employment
- Directorship on the board of another organisation (whether not-for-profit or not)
- Supervisors or managers having direct supervisory responsibility for a close relative
- Promoting a business relationship between Waterlogic and external parties with whom they share a close family or other connection
- Recruiting an employee based on close family or other connection

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Employees must notify their relevant manager of any actual or potential conflicts of interest as soon as they become aware of them. Failure to disclose may lead to disciplinary action up to and including termination of employment. Employees who are unsure of a potential conflict of interest should seek the advice of management.

Bribery

Employees must not engage in any behaviour that would constitute bribery. Bribery involves the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action in order to gain any commercial, contractual, regulatory or personal advantage and which is illegal or a breach of trust. A bribe need not actually be paid; it is sufficient that one is asked for or offered.

Giving or receiving gifts, hospitality or other benefits may amount to bribery as it may be perceived as an inducement to act in breach of a duty or to improperly influence a relationship or decision affecting Waterlogic. All gifts and hospitality must serve a bona fide business purpose, and should be appropriate having regard to the recipient and nature of the business in question. Other factors to be considered when accepting or offering a gift include:

- The motive behind the proposed offer;
- The status of the business relationship with the other party;
- The nature of the hospitality or gift offered;
- The legality and propriety of the gift;
- How the situation could be perceived by an outsider

The following types of gifts/hospitality are never acceptable. Workers must not give, offer, receive or approve any:

- Hospitality or gifts that would be illegal under local laws or other regulations;
- Gifts of cash or cash equivalents;
- Payment of another party's personal bills or expenses;
- Hospitality or gifts considered lavish, indecent or inappropriate as part of a business relationship
- Facilitation payments, irrespective of the value or local practice

Any hospitality or gift should be of nominal proportional value. Workers should also consider any cultural circumstances that would impact the situation.

In circumstances where it may be reasonable to give or receive gifts, hospitality or other benefits, the following must be observed:

- Approval from the line manager must be sought before giving or receiving any gift exceeding a value of \$100 (but not exceeding \$250) on behalf of Waterlogic;
- Approval from the COO must be sought before giving or receiving any gift exceeding a value of \$250 on behalf of Waterlogic; and
- All approved gifts, hospitality and other benefits employees receive or provide in the course of employment with Waterlogic must be recorded in a register.

Corruption

Workers must not engage in corrupt behaviour. Corruption involves the misuse or abuse of entrusted power for private gain. Corrupt conduct may include bribery; extortion; facilitation payment; collusion; fraud;

embezzlement; money laundering; misappropriation or other diversions of property; or funding, creating or exploiting conflicts of interest.

Corporate Governance

Officers and workers must not make improper use of their position or Waterlogic information to gain an advantage for themselves or someone else or cause detriment to Waterlogic.

Fraud

Workers must not engage in fraudulent behaviour. Fraud involves the acquisition or misuse of funding or property by deception, causing actual or potential financial loss to any person or entity. Fraudulent conduct may include deliberate falsification, concealment or destruction of records and documentation or the improper use of information or position to gain a personal financial benefit.

Waterlogic's resources must be protected and must not be used for personal gain. This includes tangible assets such as stocks, equipment and cash, in addition to intangible items such as intellectual property, computer systems and confidential information. Information held within Waterlogic such as business plans, pricing, and financial data, remain the property of Waterlogic and must not be disclosed outside Waterlogic or used in an unauthorised manner.

Mismanagement of Funds

Mismanagement involves the failure to manage or control budgeted funds leading to funds being unable to be accounted for. All Waterlogic employees must manage budgets and other funding within their delegated authority in accordance with set practices and this Code.

Record Keeping and Reporting

Employees must never:

- Falsify any record, whether financial or non-financial
- Dispose of or otherwise transfer any Waterlogic asset without proper documentation and authorisation
- Make any false or misleading entries or expense claims
- Destroy information to conceal errors, bad practice or a contravention of this Code or another policy

Company Property

If an employee wishes to borrow Waterlogic property, they may only do so when Management has given express permission. All Waterlogic property must be returned within the specified time frame or at termination of the employment (or contractor or volunteer) relationship. Waterlogic has the right to request Waterlogic property be returned at any time. Workers should refer to Waterlogic's Company Property Policy and Uniform Policy.

Political Activity and Contributions

Employees are free to be personally involved in political activities in their own time. However, the impression must not be created that that this activity represents Waterlogic.

Examples in the Workplace

Conflicts of interest, bribery, corruption, fraud, mismanagement and other ethically poor business conduct can potentially occur across all areas of Waterlogic.

For example (this list is not exhaustive):

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Area of Concern	Example of Activity
IT assets and security	Misappropriation or unauthorised or unlawful destruction of data Unauthorised or unlawful alteration of data Sharing usernames or passwords or allowing other persons, whether or not staff of Waterlogic, to use your account credentials
Misuse of Waterlogic assets	Personal use of Waterlogic funding or resources Unauthorised sale of Waterlogic resources for personal gain
Personnel Records	Use or disclosure of personal information for an improper purpose Unauthorised or unlawful alteration of personal information
Salaries, Wages, Allowances	Payments to phantom staff members
Regulatory Compliance	Providing false or misleading information Failing to provide information where legally obligated
Procurement and Contracts	Accepting bribes and/or kickbacks from suppliers Disclosing information about pricing from one supplier to another Sending specifications, proposals, quotes or samples from one supplier to another Fabricating lower responses to drive price reductions Negligent or deliberate mismanagement of contracts, e.g. non-compliance with contract schedules or rates, misrepresentation of dates, description of services or identities of contract providers Misuse of assets or unauthorised product substitution Manipulating a tender process to achieve a desired outcome Accepting or conferring gifts and benefits to manipulate a tender process Procuring where there is an actual or known potential conflict of interest Invoice and purchase order splitting to circumvent procedures or delegation levels Creation and payments made to phantom suppliers False documentation to support invoices
Authorisation	Making or using forged or falsified documents or signatures
Conflicts of Interest	Failing to disclose an actual, perceived or potential conflict of interest Failing to actively manage a disclosed conflict of interest Allowing a conflict of interest to undermine independent decision making Receiving a personal benefit for assisting a person or entity to gain business, work or access to services at Waterlogic Appointing a person to a position due to personal relationships or motives other than merit Unauthorised undertaking of work outside Waterlogic including while on leave
Expenses, Records and Reporting	Luxurious, indulgent or excessive expenditure on behalf of Waterlogic or charged to Waterlogic including personal expenses or extravagant, unnecessary or unauthorised business expenses Inflated and/or falsified expense claims Falsified supporting documentation for expense claims

Prevention

Waterlogic has a zero tolerance policy towards the above conduct. Waterlogic seeks to facilitate a culture from the top down that considers such conduct to be of the utmost ethical and professional wrongdoing, and places control of such issues within the responsibility of all workers.

Waterlogic implements a range of internal controls that provide for the security and accountability of resources and reduce the opportunity or temptation of bribery, corruption, fraud, mismanagement and other unethical business conduct.

Such controls include:

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- This Code of Ethics and Business Conduct
- Segregation of duties
- Requiring supervisors to approve timesheets prior to payroll processing
- Requiring reconciliation of financial statements and accounts
- Implementation of a Corporate Credit Card Policy, Expense Reimbursement Procedure, Purchasing Policy and Vehicle Use Policy
- Approval of fiscal policies by someone other than the author
- Requiring approval of expense claims by a person other than the lodger
- Requiring and nominating a person to examine vehicle logs
- Implementation of Receipt of Uniforms Form and Receipt of Company Property Form
- Using scheduled and unscheduled audits
- Maintaining a register of gifts for gifts/hospitality exceeding a value of \$100
- Non-victimising avenues for whistleblowing including anonymous reporting mechanisms
- Training and worker awareness of prohibited business conduct and this Code
- Suitable recruitment procedures (e.g. contacting referees, verifying transcripts)
- Security of records and information systems
- Clear reporting lines
- Performance management
- Approvals within delegated authority
- Suitable staff separation practices such as exit interviews
- Inclusive of but not limited to the above

In order to facilitate early detection of any actual or potential incidences of this type of conduct, Waterlogic commits to:

- Monitoring the adequacy and efficacy of internal controls
- Identifying any flaws or shortfalls in internal controls and taking timely action to repair these
- Articulating clear standards and procedures to deter participation in such misconduct
- Encouraging staff members to report any actual, perceived or potential incidences of such misconduct without fear of reprisal or victimisation

Reporting

All staff are required to actively participate in reporting any actual, perceived or potential breach of this Code that they identify. Any such conduct should be reported at the earliest possible stage in good faith, even if unsure as to whether the conduct does in fact amount to a breach.

Persons who are seeking to report allegations of behaviour in breach of this Code should provide as many details as possible about the alleged conduct/incident. For example:

- Date and time of report;
- Name of complainant;
- Name of alleged perpetrator;
- Nature of the allegation;
- Alleged time or period of the conduct/incident;
- Location of the conduct/incident;
- Names and details of parties involved, if known;
- Reason for providing the information

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Allegations of this nature are sensitive and have potential to have a large impact on all parties involved. It is imperative that reported allegations are treated by parties with the utmost sensitivity and strictest confidentiality. Waterlogic itself commits to treating allegations this way as well as:

- Actively ensuring parties involved are protected from reprisal and/or victimisation;
- Actively avoiding, discouraging and extinguishing the spread of rumours;
- Preventing the wilful destruction of evidence
- Investigating allegations in a timely manner
- Applying principles of natural justice and procedural fairness when investigating allegations
- Instigating disciplinary proceedings, prosecution and/or recovery action in accordance with the seriousness of the matter
- Reporting conduct amounting to criminal activity to the appropriate legal authorities where appropriate

Breach

We consider breaches of this policy to be serious. We may conduct an investigation into the alleged breach, and if so will provide the worker with an opportunity to give their version of events and any relevant explanation.

Waterlogic will take disciplinary action if a staff member:

- Knowingly makes false or misleading reports about another person;
- Victimises or acts in a retaliatory, discriminatory or otherwise adverse manner towards a person as a result of their participation in an investigation or inquiry process or because they have made a genuine report of allegations
- Intentionally hinders or impedes a formal investigation or fails to assist any person authorised to conduct an investigation;
- Knowingly condones suspected conflict of interest, bribery, corruption, fraud or mismanagement within their area of responsibility
- Is found following an investigation to have engaged in prohibited behaviour in accordance with this Code. This conduct is generally considered to be serious and wilful misconduct and as such, disciplinary action may include summary dismissal whereby the employment relationship is terminated without notice or pay in lieu.



Michael Timbs

Chief Operating Officer