



## AUSTAL LIMITED DIRECTOR'S CODE OF CONDUCT

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### **General Conduct**

- A Director must act honestly, in good faith and in the best interests of the company as a whole.
- A Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A Director must use the powers of office for a proper purpose, in the best interests of the company as a whole.
- A Director must recognise that the primary responsibility is to the company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the company.
- A Director must not make improper use of information acquired as a director.
- A Director must not take improper advantage of the position of director.
- A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the company.
- A Director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions.
- Confidential information received by a director in the course of the exercise of directorial duties remains the property of the company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that company, or the person from whom the information is provided, or is required by law.
- A Director should not engage in conduct likely to bring discredit upon the company.
- A Director has an obligation, at all times, to comply with the spirit as well as the letter of the law and with the principles of this Code.
- A Director must encourage the reporting and investigating of unlawful or unethical behaviour.

### **Dealing in Securities of the Company**

- Directors, managers and staff are not permitted to deal in the company's securities if they are in possession of material information, which is not available to the share market, but if it were, may impact the value at which the securities are traded.

- Generally, but always subject to the above, directors are only permitted to deal in the company's shares during the 4 month period commencing 24 hours after the release of the half-year and full-year profit announcements.
- Any director intending to buy or sell shares in the company is required to notify the Chairman of his/her intentions before proceeding with the transactions.
- Directors are obliged to report any dealings in the company's securities to the company secretary for notification to ASX within 5 working days of the transaction.

### **Retirement from Board**

- *Non Executive Directors*
  - a) All Non-Executive Directors are expected to voluntarily review their membership of the board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the company's current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the company.
  - b) A Director shall resign if requested to do so by the majority of the board.
  - c) At each annual general meeting, one-third of the Directors for the time being, or, if their number is not 3 nor a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for three years or more must retire from office. In determining the number of Directors to retire, no account is to be taken of a Director who only holds office until the meeting in accordance with Article 11.10 of the Company's Constitution or the Chief Executive Officer/Managing Director who is exempt from retirement by rotation in accordance with Article 13.31 of the Company's Constitution.
  - d) A retiring director is eligible for re-election.
- *Executive Directors*
  - a) An Executive Director shall tender a resignation from the board immediately he/she decides to retire or resign from employment with the company.
  - b) An Executive Director who tenders his/her resignation pursuant to sub-clause (a) above, may be invited by the board to extend his/her term for a further period.

### **Number of Outside Directorships**

- *All Directors*
  - a) A Director should continually evaluate the number of boards on which he/she serves to ensure that each can be given the time and attention to detail required to properly fulfil the director's duties and responsibilities.
  - b) A Director shall notify the Chairman in writing prior to accepting an invitation to become a director of any corporation (other than the company or any subsidiary or holding company of the company) and shall give due

and proper regard to the views and wishes of the Chairman relating to the director acting simultaneously as a director of the company and of any other corporation.

- *Executive Directors*

An Executive Director shall not accept appointment to the board of any public corporation outside the Austal Limited group of companies without the prior approval of the Board of Directors.

### **Confidentiality**

The directors acknowledge that all proceedings of the board and its committees are strictly confidential and that a director will be expected to resign from the board if he/she commits a breach of this confidentiality.