



AUSTAL LIMITED

CODE OF CONDUCT

General Conduct

- A manager must act honestly, in good faith and in the best interests of the company as a whole.
- A manager has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A manager must use the powers of office for a proper purpose, in the best interests of the company as a whole.
- A manager 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 manager must not make improper use of information acquired as a manager.
- A manager must not take improper advantage of the position of manager.
- A manager must not allow personal interests, or the interests of any associated person, to conflict with the interests of the company.
- A manager 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 manager in the course of the exercise of management 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 manager should not engage in conduct likely to bring discredit upon the company.
- A manager 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 manager must encourage the reporting and investigating of unlawful or unethical behaviour.

Employee Safety

Managers must ensure that their employees adopt safe working practices and minimise the risk of injury to themselves and others.

Conflict of Interest

A conflict of interest may arise where the interests of an employee interferes or appears to interfere with the interests of the company as a whole.

To avoid such conflicts arising, employees [including managers] are obliged to:

- Advise their manager of any material interest or proposed material interest that they may have in a customer, supplier or service provider
- Seek prior approval from the company before agreeing to become a director of any other company

- Not seek or accept offers of gifts, money or favours which might influence or appear to influence the making of any business decisions
- Not be involved in any other business or position that may result in them not being able to carry out their duties and responsibilities to the company.

Managers are to raise with their employees any concerns they may have as regards to a conflict of interest.

Dealing in Securities of the Company

The company has issued a policy governing the trading in its securities by restricted persons (including directors, executives & key management personnel). All Restricted Persons and others in possession of Inside Information are obligated to comply with the Share Trading Policy.

Any queries in relation to any aspect of the Share Trading Policy are to be directed to the company secretary in the first instance, and in his absence to the Chairman.

In general terms:

- 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.
- Managers are to raise with their employees any concerns they may have regarding employee's trading in Austal shares whilst in possession of material information not available to the share market.

Compliance with Laws

The board of Austal is committed to compliance with all relevant legislation and corporate policies. Employees are expected to be aware of all legislation and policies applicable to their position and be sufficiently familiar with such laws and policies that they are able to comply.

Managers are responsible to ensure that:

- they have access to all relevant laws and policies in their areas of responsibility
- they, and the employees reporting to them, are properly instructed on the relevant laws and policies
- they maintain their understanding, through continuing education and periodic updates.

Confidentiality and privacy

- Any confidential information about Austal or its suppliers, customers, contractors or shareholders must not be used improperly.
- Prior to the use of or release of confidential information, written approval must be obtained from an employee's manager.
- Employees must maintain the privacy of customers, other employees and shareholders and only use information for the purpose for which it was collected.
- Employees are not to make public comment about Austal Limited or any of its subsidiary companies in such a way that implies that they are speaking on behalf of the company, unless their position includes such responsibility.
- Employees who leave the company continue to be obliged to maintain the confidentiality of information relating to the Austal Group of companies. Such information cannot be used or given to others without prior written approval.

Treatment of Colleagues

- Employees must treat other employees, customers, suppliers, contractors and members of the public with respect and courtesy in a fair, honest and open manner.
- Employees must ensure that they do not harm, defame, slander or wrongly discriminate against any person. Discrimination or harassment may occur because of a person's sex, marital status, pregnancy, age, race, colour, ethno-religious background, descent or national identity, disability, homosexuality and transgender.

Activities

Employees being involved in political or community activities must ensure that no conflict arises with their position in the company and no confidential company information is used in such political activity without prior written approval of the Chief Operating Officer of the company.

Political activity includes being a candidate for federal, state or local government; being a member, fundraiser or spokesperson for a political party, cause or lobby group, or being publicly involved in a well-publicised community issue.

Gifts and entertainment

- Gifts

All staff are reminded that, without authority from a senior manager, they are not to receive any gifts, pledges, favours or any other benefit in return for any business favours, introductions or otherwise that are as a result of their employment in the Austal Group.

Situations may arise where it is appropriate to give a corporate gift or goodwill gesture, recognising a significant occasion (e.g. an overseas delegation). A senior manager's approval is required and in any case the gift should be modest and appropriate for the occasion.

- Entertainment

Similarly, entertainment may be appropriate where persons outside the company are involved. If the expense is to be borne by the company, a manager senior to the most senior person attending the function must first approve, in principle, the expenditure and the actual expenditure.

Employees in such situations should be cautious of not compromising the company's position in any way through attending / organising such functions.