



AUSTAL LIMITED CONTINUOUS DISCLOSURE POLICY AND PROCEDURES

Guiding Principle

Austal Limited is committed to complying with the continuous disclosure obligations of the *Corporations Act 2001* and the listing rules of the Australian Stock Exchange Limited (ASX).

Purpose

The Continuous Disclosure Policy is designed to ensure that:

- there is full and timely disclosure of the Austal's activities to shareholders and the market, in accordance with Austal's legal and regulatory obligations; and
- all stakeholders (including shareholders, the market and other interested parties) have an equal opportunity to receive and obtain externally available information issued by Austal.

Accountabilities and Responsibilities

For administrative convenience, Austal has nominated the head of its Public Relations department as the person responsible for communication with ASX. In addition, this person has responsibility for overseeing and coordinating disclosure of information to ASX and communicating with the Chief Executive Officer and Company Secretary in relation to continuous disclosure matters.

The Chief Executive Officer is responsible for overseeing and approving disclosure of information to the media and ASX.

Disclosure Principle

In order to ensure Austal meets its obligations of timely disclosure of such information, the company will give immediate notification to ASX of information concerning the company that a reasonable person would expect to have a material effect on the price or value of the company's securities as prescribed under *Listing Rule 3.1*, except where such information is not required to be disclosed in accordance with the exception provisions of the listing rules.

Disclosure Criteria

Austal Limited, through the Chief Executive, or in his absence the Company Secretary will decide:

- whether a matter would have a material effect on the price of Austal's shares and, therefore, should be considered disclosable



AUSTAL LIMITED CONTINUOUS DISCLOSURE POLICY AND PROCEDURES

- in the case of a matter being assessed as likely to have a material effect whether the matter qualified for exemption from disclosure by addressing whether the information falls within a category listed in paragraph (iii) of Listing Rule 3A(1) as follows:
 - (a) *A reasonable person would not expect the information to be disclosed.*
 - (b) *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
 - (c) *One or more of the following applies:*
 - *It would be a breach of a law to disclose the information.*
 - *The information concerns an incomplete proposal or negotiation.*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
 - *The information is generated for the internal management purposes of the entity.*
 - *The information is a trade secret.*

Note: "Confidential" means confidential as a matter of fact. An entity may give information to third parties in the ordinary course of its business and activities and continue to satisfy rule 3.1A.2, provided the entity retains control over the use and disclosure of the information. Examples include information given to the following:

- The entity's advisers for the purposes of obtaining advice;
- Other service providers such as share registries and printers;
- A party with whom the entity is negotiating, for the purposes of the negotiation;
- A regulatory authority or ASX in the course of an application or submission.

ASX would be likely to consider that information has ceased to be confidential if the information, or part of it, becomes known either selectively or generally, whether inadvertently or deliberately. If information becomes known by others in circumstances where the entity does not retain control of its use and disclosure, rule 3.1A.2 is not satisfied, regardless of whether the entity or a third party disclosed the information.

Example: When there is rumour circulating or media comment about the information and the rumour or comment is reasonably specific, this will generally indicate that confidentiality has been lost.

Cross reference: Listing rules 3.1.3.1B, 18.8A; Guidance Note 8 – Continuous disclosure: Listing Rule 3.1

If the matter does not qualify for an exemption Austal will make the disclosure to the ASX as appropriate.

If the matter is not likely to have a material effect on the price of Austal's shares, the Chief Executive and Company Secretary will assess whether a disclosure will, in any case, be made to keep the share market further informed.

To ensure the share market is properly informed, it is required that senior managers in the company and directors keep the Chairman (or in his absence the Company Secretary) informed of matters of a nature which they consider material and which they consider may require disclosure.

Note: *The company is obliged to make disclosure of information of which it becomes aware.*

The company is deemed to have become aware of information where a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of performance of duties as a director or executive.

Corporations Law section 674 imposes penalties on listed companies for 'intentionally' failing to notify the securities exchange of information that is not generally available and that a reasonable person would expect, if it



AUSTAL LIMITED CONTINUOUS DISCLOSURE POLICY AND PROCEDURES

were generally available, to have a material effect on the price or value of the shares. This means that the information would or would be likely to influence persons who commonly invest in securities in deciding whether or not to invest in the securities.

False Market

Austal does not respond to market rumours. However, if ASX considers that there is or is likely to be a false market in an entity's securities and asks the entity to give it information to correct or prevent a false market, the entity must give ASX the information needed to correct or prevent the false market.

Note: *The obligation to give information under this rule arises even if the exception under rule 3.1A applies. ASX would consider that there is or is likely to be a false market in the entity's securities in the following circumstances.*

- The entity has information that has not been released to the market, for example because all of the limbs of the exception from listing rule 3.1 in listing rules 3.1A, 3.1A.2 and 3.1A.3 are satisfied; and
- There is reasonably specific rumour or media comment in relation to the entity that has not been confirmed or clarified by an announcement by the entity to the market; and
- There is evidence that the rumour or comment is having, or ASX forms the view that the rumour or comment is likely to have, an impact on the price of the entity's securities.

ASX may make enquiries of an entity under rule 18.7 to satisfy itself whether there is a false market.

Cross-reference: Listing rules 3.1, 3.1A; Guidance Note 8 – Continuous Disclosure: Listing Rule 3.1.

External Communications

Under the Policy, only those employees who have been authorised by the Chief Executive Officer can speak on behalf of Austal to the media, analysts and investors.

Austal will not disclose price-sensitive information to any investor or analyst before formally disclosing the information to the ASX

Any written materials containing new price-sensitive information to be used in briefing media, institutional investors and analysts are lodged with ASX prior to the briefing commencing. Briefing materials may also include information that may not strictly be required under continuous disclosure requirements.

Media releases, half-year and annual financial reports and AGM speeches are also lodged with ASX.

Continuous Disclosure Committee

A continuous disclosure committee has been formed, comprising the following:

- Chief Executive Officer
- Chief Financial Officer/Company Secretary

A meeting of the committee may be convened from time to time to consider particular continuous disclosure issues.