

Code of Conduct

Clough is committed to promoting a culture of corporate compliance and ethical behaviour. We encourage the reporting of matters that may cause financial or non-financial loss to the Group or damage to the Group's reputation. All employees are required to immediately report circumstances that may involve a breach of the spirit or the letter of this Code of Conduct.

Good corporate governance is a key element to improving economic efficiency. It provides a structure through which the Group's objectives of growth in market capitalisation and earnings per share are set and the means through which these objectives can be achieved. The Code of Conduct adds another important element to the Group's Corporate Governance Framework.

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This code of conduct is to be applied consistently across all of the group's activities including subsidiaries, associates and joint ventures.

Responsibility to Shareholders

The Company aims to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and the financial community and to comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

Alcohol and Drugs

All Clough employees are responsible for their own health and safety and for the health and safety of any other person encountered in the workplace. The company therefore prohibits any person from entering a Clough worksite whilst under the influence of alcohol or illegal or misused drugs. The misuse of drugs and the possession and use of illegal drugs is prohibited at all times. Alcohol is not permitted in Clough offices without specific senior manager approval. The inappropriate use or abuse of alcohol is unacceptable. Smoking is a health hazard. All Clough workplaces are to be smoke free environments.

Confidentiality and Intellectual Property

Employees will throughout the course of their employment receive and have access to information that is confidential to Clough and to our clients. In some cases this information is protected by intellectual property rights. Confidentiality and intellectual property clauses should be contained in all contracts of employment and are to be included in all contracts with consultant's contractors and other parties who provide services to Clough.

The Clough Standard Employment Contract refers to Clough ownership of the work product of Clough employees.

Employees must, both during and after their employment protect to the best of their ability any confidential information acquired during their period of employment and protect the intellectual property rights of the company our clients and our suppliers. All confidential information must be returned to the company upon termination of employment.

Conflict of Interest

Employees must not hold assets or become involved in activities that create a material conflict of interest between their personal interests and those of the Company.

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In the event of a conflict of interest or a potential conflict of interest the employee must advise their Business Line Vice President of the circumstances that have or may give rise to the conflict of interest and remove themselves from the situation giving rise to the conflict. The Business Line Vice President must ensure the matter is properly investigated.

Compliance with Laws

Clough operates in a number of legal jurisdictions. The company and its employees are therefore subject to the laws of Australia and the laws of the countries in which we operate.

All employees are required to understand the legal environment in which they are operating. Ignorance of the law does not excuse non-compliance. Where necessary professional advice should be sought. In the first instance this advice must be sought through the Group Legal function. Where external advice is required it must be coordinated through Group Legal.

The aspects of the law that are commonly encountered in the countries in which we operate include, Trade Practices Law, Health & Safety Legislation, Environmental Law, Employment Law, Corporations Law and Taxation Law.

Compliance with Clough's Policies and Procedures

All Clough employees must be familiar with and comply with Clough's policies and procedures. These include the Code of Conduct, Code of Ethics, Delegation of Authority Manual, Contracting Principles & Policies and Share Trading Policy.

Health and Safety

Clough gives health and safety equal status with all our activities and encourages a culture where all employees are empowered to stop or delay any work where effective risk management controls are not in place.

Environment

Clough believes excellence in environmental performance is essential to our business success and compatible with balancing the economic, social and environmental needs of sustainable development.

All employees will ensure that all activities will be undertaken with consideration given to minimising adverse impacts on the environment and communities in which we work.

Unlawful Discrimination

Unlawful discrimination, harassment or demeaning behaviour of any kind against any individual or group is considered to be unacceptable behaviour.

Employment Practices

The recruitment and employment of all staff and wages employees will be undertaken in accordance with the group's procedures. Nepotism or any form of unjust influence to the recruitment process will be regarded as unacceptable behaviour.

Equal Employment Opportunity

Clough values equal opportunity in the workplace. Every person will be treated with care, respect, integrity and trust.

Financial Inducements

All employees must be aware that bribery is unlawful in Australia and in many of the countries in which we operate. The following is a summary of Australia's position.

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“The Australian Government works on a number of fronts to fight bribery and corruption both here and overseas. This approach helps support better governance and legal systems. It also helps improve Australia's investment opportunities overseas and is an important aspect of our excellent global reputation as a corruption-free trading partner.

In 1999, Australia became a party to the Organisation for Economic Cooperation and Development's (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Since 1999, it has been a criminal offence (Commonwealth Criminal Code Act 1995) to bribe a foreign public official, whether in Australia or in another country. An Australian in another country who bribes or attempts to bribe an official of that country can be prosecuted for bribery in an Australian court.” *Federal Attorney Generals Department*

From the Company's perspective the offering, payment solicitation or acceptance of bribes, kickbacks, secret commissions or similar payments in any form are considered to be unacceptable practices.

In some countries small payments to low-level public officials (facilitation payments) are commonly sought to expedite routine services or administrative processes. The company does not encourage this practice and every effort should be made to avoid payments of this type. Where unavoidable the payment must be approved in accordance with the group's delegation of authority and must be accounted for clearly and accurately.

Fraud

Fraud in any form is considered to be unacceptable behaviour and subject to disciplinary action.

Gifts and Entertainment

Gifts must not be given, sought or accepted except where the value of the gift is less than approximately A\$300 and it is seen as a common courtesy associated with general commercial practice.

The provision of travel, accommodation and entertainment, including meals is to be considered a gift and therefore covered by the same rules.

Where the giving of a more valuable gift is considered necessary, prior written approval must be obtained from the Business Line Vice President.

Where the acceptance of a more valuable gift is considered necessary it must be accepted on behalf of the company and handed over to the General Manager - Group Support who will have it entered onto the corporate gift register. The disposal of gifts entered onto the corporate gift register will be at the discretion of the Executive Committee.

Gifts of any type must not be accepted where your position as an employee will or may be compromised.

Outside Employment

Outside employment should not be undertaken where the commitment is likely to interfere with the execution of your employment contract with Clough. Outside employment must not be undertaken when it:

- Creates or is likely to create a conflict of interest.
- Draws upon information or knowledge obtained through your employment with Clough.
- Involves the use of company time or resources.

Privacy

Clough is committed to protecting the privacy of its employees in accordance with relevant legislation.

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Share Trading and Inside Information

All Clough employees are encouraged to hold shares in the Company. Independent financial advice should be sought before purchasing or selling shares.

The Corporations Act of Australia and the laws of other countries prohibit a person from dealing in shares or other securities of a company if that person is in possession of information that is generally not available to the investment community and which if generally available would influence the market for those securities.

When dealing in the Company's securities, all directors and staff are required to comply with the Company's Share Trading Policy which is available on the Company's website.

Sponsorships

Authority to approve sponsorship arrangements has been delegated by the Board to the CEO via the Delegation of Authority. Any proposed sponsorship agreements must be approved in accordance with the Group's Delegation of Authority.

Use of Company Resources

The unauthorised use of company resources (funds, property, supplies or equipment) for personal benefit is not permitted and may be considered as theft.

Commercial Conduct

The following provisions should be included in all sub-contracts.

Warranties

Adequate anti-corruption warranties under which the sub-contractor, consultants, vendors and suppliers would undertake to,

- a. Not participate in any corrupt practices in relation to the project.
- b. Ensure that its officers and employees, and subsidiary and associated companies do not participate in corrupt practices.
- c. Take reasonable steps to ensure that its agents, joint venture and consortium partners, sub-contractors, suppliers and consultants do not participate in any corrupt practices.

Back-back Obligations

Any anti-corruption obligations assumed in the head contract will be passed onto all sub-contractors, consultants, vendors and suppliers.

Remedies

The contract should provide for termination of the contract or other compensation in the event of a corrupt act by the other contracting party.

Reporting of Unethical Behaviour

Clough is committed to promoting a culture of corporate compliance and ethical behaviour. We encourage the reporting of matters that may cause financial or non-financial loss to the Group or damage to the Group's reputation. All employees are required to immediately report circumstances that may involve a breach of the spirit or the letter of this Code of Conduct. Please refer to the Governance and Ethics Promotion Standard.

Breaches of the Code of Conduct should in normal circumstances be reported to your immediate supervisor or manager or to the Business Line Vice President. There may be circumstances where for whatever reason these options are not able to be used. In these circumstances an external helpline has been established. This helpline is provided by an

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external service provider whose staff are trained to deal with these matters professionally and confidentially. Issues reported through this service will be reported to the Chief Executive Officer. If the Chief Executive Officer is not available the incident will be reported to the General Manager Group Support. If KPMG consider the reporting of an incident to the CEO to be inappropriate they have the discretion to direct the matter to the General Manager - Group Support or the Chairman of the Audit & Risk Committee. Details as to how to contact the helpline are available on [clough-net](#) and on the company website at www.clough.com.au

Consequences of Non-Compliance

All Clough employees are required to comply with the Code of Conduct. Any breach of the Code of Conduct, prevailing business ethics or the law will be considered to be unacceptable behaviour and will be subject to disciplinary action. This may result in reprimand, formal warning, demotion or termination of employment.

The Chief Executive Officer of Clough Limited is accountable to the Board of Directors for ensuring that this Standard is implemented throughout Clough's operations. This Standard will be reviewed every three years.

July 2008