



INTRODUCTION TO OUR CODE OF CONDUCT

GUD HOLDINGS LIMITED

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GUD Holdings Limited (with its subsidiaries, the **Company**) has a reputation for honesty, integrity, excellence and fairness. This reputation is one of the Company's most important assets, and the highest standards should govern all our actions. Decisions made within the Company should honour the spirit and letter of applicable laws in the countries in which we conduct our business and in any dealings with overseas parties. To this end, business will be conducted honestly and ethically, with our best skill and judgement, and will reinforce our values to our customers, shareholders, employees and the broader community.

The Board believes it is important to provide a clear set of values that emphasis a culture of strong corporate governance, solid business practices and good ethical conduct.

This Code of Conduct has been prepared for the guidance and benefit of all people employed, contracted by, associated with, or acting on behalf of the Company on the values which guide us in our daily business activities. It is an evolving publication which will be updated and improved as required.

I encourage you to read and understand this Code of Conduct. Not every circumstance can be covered by this Code of Conduct, however, it provides a guide for a common sense approach.

The Board and the Company's senior executives will adhere to the values and standards in this Code of Conduct and expect all employees to do the same. By doing so we can ensure that the Company maintains a reputation for high standards of business conduct, professionalism and integrity.

A handwritten signature in black ink, appearing to read 'Ian Campbell', followed by a period.

Ian Campbell
Managing Director

28 July 2009

OUR COMPANY VALUES

VALUES

We believe in these key Values:

- **The Customer Is Important**

Our customers are important in our priorities; we aim to meet customers' needs.

- **Respect for Individuals**

We encourage constructive, candid and open communications. We are accessible. We always treat our people with fairness and equality. We trust our colleagues.

- **Highest Standards of Integrity**

We always act honestly. We say what we mean.

- **Business Success**

Business success secures our future. Our profits permit us to invest for long-term customer satisfaction, a rewarding future for our people, and a return to the shareholders.

- **Continual Improvement**

We seek new ways of doing things, taking risks where necessary in pursuing new opportunities.

- **Teamwork**

We acknowledge our interdependence. We give recognition for a job well done.

- **Bias for Action**

We have a bias for action, and for achieving results.

OUR CODE OF CONDUCT

A PERSONAL RESPONSIBILITY

The Company is committed to honesty, integrity and providing superior service to our customers. We can only achieve this through our people.

For us to do this, obligations and responsibilities must fall equally on the Company and every one of its employees.

As a company, we will:

- obey the law;
- respect every employee's dignity, rights, freedoms and individual needs;
- provide a working environment that is safe, challenging and rewarding;
- recognise the work of each of our employees;
- respect the personal and sensitive information of our customers, suppliers and employees; and
- reinforce the Company's commitment to the highest standards in business and professional ethics.

As employees, we will:

- obey the law;
- treat customers and fellow employees with honesty, courtesy and respect;
- respect and safeguard the property of customers, the Company and fellow employees;
- maintain confidentiality of all customer, Company or other information gained through our work;
- perform our duties, as best we can, taking into account our skills, experience, qualifications and position;
- do our jobs in a safe, responsible and effective manner;
- respect personal and sensitive information in accordance with privacy legislation;
- ensure our personal business and financial interests do not conflict with our duty to the Company; and
- work within the Company's policies and rules.

The Company's success is dependent on the knowledge, experience and talent of our employees, the strength of our management team, the quality of our business strategy and our compliance with the highest standards of corporate conduct in discharging our obligations and responsibilities.

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GUIDELINES FOR EXPECTED BEHAVIOUR

1 APPLICATION OF CODE

This Code of Conduct applies to all business activities with suppliers, contractors, customers, shareholders and employees in Australia and overseas. This Code of Conduct should be read in conjunction with the relevant company policies (see section 2 below).

All employees including senior management, contractors, agents and directors of the Company must comply with this Code of Conduct.

Each of us is responsible for conducting ourselves in accordance with this Code of Conduct whatever our position and role. If you have any doubts about an issue or situation you should notify your Manager or the Company Secretary.

If you are aware of, or suspect a breach of this Code of Conduct, please report the matter by following the steps outlined in section 13 below, which deals with reporting unethical or unlawful behaviour. You are asked to comply with any investigations into concerns about a possible breach of this Code of Conduct or the Company's policies and procedures.

Any person who breaches this Code of Conduct (including by failing to report a suspected breach or by victimising another for reporting a concern) may be subject to corrective disciplinary action including, in extreme circumstances, termination of employment.

2 COMPANY POLICIES

The Company has implemented policies in relation to various matters, including:

- the Corporate Governance Policy;
- the Continuous Disclosure Policy;
- the Dealing in Shares Policy;
- the Document Retention Policy; and
- various administration policies.

Copies of this Code of Conduct and these policies are available on the Company's website or on business intranet site. Hard copies are also maintained and are available. Employees are encouraged to be familiar with and adhere to the requirements of all Company policies at all times.

The Company continually assesses and upgrades its policies and procedures to ensure compliance with corporate governance requirements. Each of the Company's businesses may also introduce local policies and procedures to provide more detail on some areas covered by this Code of Conduct. You should ensure you regularly make yourself aware of all current policies and compliance requirements.

If you have any questions regarding this Code of Conduct or any of the Company's policies at any time, you should contact your Manager or the Company Secretary.

3 BUSINESS RECORDS

Business records can only be destroyed with authorisation and in accordance with approved Company policies and rules.

4 LAW

Our Company is subject to local, State and Federal laws. We have a duty to act within those laws. The law helps to define our roles within the Company.

No one can be directed to carry out an illegal act, and no one can justify an illegal act by claiming to be acting under the order of a Manager, or to be simply complying with a policy.

The Company and its directors and officers are subject to various legal requirements in relation to the conduct of the Company's operations, and the performance of their roles and responsibilities. These might relate to financial, corporate, disclosure, fair trading and other requirements. Directors and officers also owe a number of duties as a fiduciary of the Company.

If you have a question as to whether particular laws apply or how they may be interpreted, please contact either your Manager or the Company Secretary.

5 FAIR COMPETITION

Fair competition means that we will:

- know about and follow the Company's legal obligations to its competitors; and
- compete on the basis of product quality, price and customer service rather than by obstructing competitive conduct.

As part of our commitment to fair trading, we will not:

- unfairly differ between customers when supplying products or services;
- refuse to deal with, or discriminate against, a customer for any improper reason; nor
- intimidate or threaten another person or organisation.

We aim to conduct our business fairly, and to compete solely on the merits of our products or services.

We aim to be an effective competitor and to act according to accepted community and ethical standards.

In all dealings with others, we will be courteous, well-informed and truthful, and careful not to misrepresent the quality, features or availability of our products.

Competitive information will be obtained only by ethical means - covert attempts to gain competitive information are not permitted.

We will ensure that our people receive training to understand our legal obligations and how best to conduct business fairly.

6 CONFLICT OF INTEREST

A conflict of interest exists where loyalties are divided. A person can have a potential conflict of interest if, in the course of their employment or engagement with the Company, any decision they make provides for an improper gain or benefit to themselves or an associate.

A conflict of interest can be defined as an issue that may occur when personal interests, the interests of an associate, or relative, or a duty or obligation to some other person or entity, conflict with a person's duty or responsibility to the Company.

It is expected that all employees will guard against any possibility of conflict of interest in employment.

If you think that you have a possible conflict of interest in relation to your employment, you should speak with your Manager or the Company Secretary.

The following are some common examples that illustrate actual or apparent conflicts of interest that should be avoided, but this is not intended to be an exhaustive list. The examples are not intended to authorise any of us to act in a particular way, as each situation will be different.

6.1 DEALING WITH SUPPLIERS OF GOODS AND SERVICES

Our Company is a very large buyer of goods and services and awards its business strictly on the basis of suitability and price.

Each employee involved in buying goods and services on the Company's behalf must avoid any relationship, financial or otherwise, with suppliers that could be seen as unfairly influencing judgement.

Further, you may not use the Company's name or purchasing power to obtain personal discounts or rebates unless the discount or rebates are generally available to all employees of the Company.

6.2 GIFTS, LOANS, HOSPITALITY

No-one should ask for or accept any gift, loan, unusual or expensive hospitality or other benefit of significant value. In particular, we must not seek or accept a significant gift that could cause pressure on our judgement, or could seem to be a conflict of interest, or could damage relationships with other.

Hospitality in the form of entertainment in the interests of normal business practice is normally acceptable. However, it is important not to give any impression that there may be a connection between the hospitality and business opportunities.

If one of us is sent a significant gift, that person should report it to his or her Manager and, if possible, return it with a polite note. However, it is sometimes awkward to refuse a gift. If refusal of an offer might damage relationships, it may be appropriate to accept the gift on the Company's behalf. If in any doubt about gifts, hospitality or concessions offered, then ask your Manager or refer the matter to your business unit Chief Executive.

A gift is defined here as an item or service of *significant* value. Unsolicited promotional materials of little or nominal value such as pens, pencils, key rings, diaries, etc. are not gifts for the purposes of this definition.

6.3 FINANCIAL INTERESTS IN OTHER BUSINESSES

You should avoid having a personal financial interest in any other enterprise if that interest compromises or appears to compromise your loyalty to the Company. Each of us is responsible for disclosing personal financial interests that we or members of our family have in organisations which have established, or are attempting to establish, a business relationship with the Company, or which compete with the Company.

Personal financial interests include, among other things, interests resulting from the following relationships: officer, director, employee or independent contractor; ownership of shares or other equity interest; debtor or creditor; or lessee or lessor. Ownership of less than five per cent of the ordinary shares in a listed entity is not normally considered a conflict. However, if you have any doubt about such an investment, you should consult with either your Manager or the Company Secretary.

6.4 CORPORATE OPPORTUNITIES

You should advance the Company's legitimate interests when the opportunity to do so arises and should not take advantage of property, information, your position or other opportunities arising from your position with the Company.

6.5 OUTSIDE EMPLOYMENT AND OTHER ACTIVITIES

The Company supports involvement in community activities and professional organisations. However, outside employment or activity must not conflict with your ability to properly perform your work for the Company, or create a conflict or the appearance of a conflict of interest.

You should keep the following in mind prior to committing to an outside activity:

- we should keep outside activities separate from Company work;
- we will ensure that outside activity does not involve use of our Company's property, information, money, facilities, time or the services of fellow workers; and
- we should avoid outside activity likely to affect either our work or someone else's, or which could discredit either ourselves or our Company, or which could conflict with the Company's interests.

Our Company does have a concern with the well being of communities in which it is located. The quality of our work with the Company can be increased by the contribution that we might make as an individual. If it is practical, management will endorse and support part-time involvement by its staff in public or community service.

Before accepting a position with an outside organisation which has a business relationship with the Company or which competes with Company, you must obtain prior written consent from your business unit Chief Executive or the Company Secretary.

7 IMPROPER USE OF CORPORATE ASSETS & INFORMATION

We all share the responsibility for looking after Company property, especially if it is under our control and we should safeguard it from loss, theft and unauthorised use. Company property and assets include cash and other valuables, business plans, intellectual property (computer programs, software, models and other items), confidential information, office equipment and supplies.

The use of Company assets for any unlawful purpose or unauthorised personal benefit is strictly prohibited. As a general rule, Company property must not be removed without authorisation and must be used for a proper purpose.

7.1 COMPANY VEHICLES

Anyone using a Company vehicle must hold a current driver licence valid for use in Australia and should ensure that it is not used in a way that will reflect badly on the Company. Vehicles must not be used for unauthorised purposes.

7.2 IMPROPER DISCLOSURES

You must guard against improper disclosure, including inadvertent or careless disclosure, of competitive business strategies and plans, special methods of operation and other information that is of competitive value to the Company. If you are unsure whether information is of a confidential nature, you should seek advice from your Manager.

7.3 ELECTRONIC EQUIPMENT (USE OF COMPUTERS)

You are encouraged to use common sense and observe standards of good taste regarding content and language when creating documents that may be retained by the Company or a third party. The Company's electronic communications systems should not be used to access or post material that violates Company policies or any laws or regulations. Personal, non-business use of the Company's electronic communications systems should be limited to incidental and occasional use only.

7.4 LEAVING THE COMPANY

On leaving or retiring from the Company, each employee must hand over to his or her Manager any Company assets and items containing business information. Even after leaving the Company, each of us has a continuing obligation to maintain the confidentiality of such information which includes intellectual property that may have been created whilst working with the Company.

8 EMPLOYMENT PRACTICES

If you have any questions or concerns in relation to the Company's employment practices, please contact the Company Secretary.

8.1 COMPANY REPUTATION

Employees and directors of the Company must not act in any way that could cause harm to the Company's reputation or market position during or after their employment.

8.2 NON DISCRIMINATION

Management is committed to equal opportunity for all of its employees. This means compliance with the letter and spirit of a full range of fair employment practices and non-discrimination law and providing employees with a workplace free from any kind of discrimination, harassment or intimidation of employees.

Employees must not discriminate against a person on the basis of race, colour, religion, gender, age, marital status, sexual preference, disability or other factors unrelated to legitimate business interests. Harassment of any person on any basis will not be tolerated. Sexual advances or comments, racial or religious "jokes" or slurs, or any other conduct in the workplace that is intimidating or offensive is unacceptable behaviour and will not be condoned.

Recruitment, promotions and other conditions of employment or career development will be based on individual merit. Unethical means of achieving performance or promotion will not be condoned or rewarded.

The Company will promptly investigate all allegations of harassment, bullying, victimisation or discrimination and will take appropriate corrective action. Retaliation against individuals for raising claims of harassment or discrimination will not be tolerated.

8.3 WORK ENVIRONMENT

The Company is committed to provide its employees with a working environment which is healthy, safe and productive. Besides physical factors, our work environment should also be challenging, stimulating and rewarding for us all.

For a productive and safe workplace, the following are not acceptable or permitted:

- smoking in Company buildings and vehicles.
- using, possessing or trafficking illegal drugs.
- consuming alcohol that might affect anyone's safety.
- using offensive language and/or unwarranted or violent physical behaviour.

You should be aware of the Company's occupational health and safety policies and all relevant procedures to ensure the workplace is safe and without risk to the health of others and yourself and follow any lawful and reasonable instructions consistent with that policy and procedures set out.

8.4 PERSONAL CONDUCT

Our personal conduct should be consistent with this Code of Conduct.

Employees should deal fairly and honestly with our customers, each other, business suppliers and competitors.

This means:

- handling all customer contacts with professionalism and courtesy.
- reporting to work as scheduled, keeping absences to a minimum and, when an absence is necessary, promptly notifying the appropriate person of the reason.

8.5 DRUGS AND ALCOHOL

Illegal drugs are neither acceptable nor permitted in the workplace. Where prescription drugs which are likely to affect performance or safety are involved, you should notify your Manager to ensure that safety and performance impact is properly managed.

Whilst in the workplace, consumption of alcohol is not permitted without the prior approval of your business unit Chief Executive.

8.6 SECURITIES TRADING

The Company has developed guidelines for dealings in Company securities which apply to directors, officers and employees. You should review the guidelines and ensure you act in accordance with them.

9 COMMUNITY

9.1 ENVIRONMENT

We are all responsible for maintaining and improving the environment. Each of the Company's business units has risk management programs in place to address the Company's obligations under various environmental regulations.

If you are aware of, or suspect, an action that is not environmentally responsible and in breach of applicable laws and regulations, you must report the matter to your business unit Chief Executive or to the Company Secretary in accordance with section 13 below.

9.2 POLITICAL ASSOCIATIONS

Our Company must not be used to support a political party, a member of a party, or an independent politician, either in Australia or overseas. When acting on the Company's behalf, no action should be made which might be seen as assisting a political party, politician or political candidate. It is against the Company's policy to make any expenditure of corporate funds for political purposes.

However, this policy does not prohibit:

- communications by the Company to its shareholders on any lawful subject;
- normal hospitality expenses made in the ordinary conduct of business; or
- payment of salaries and expenses of employees whose duties may include communication with government officials.

10 CUSTOMER SERVICE

We must ensure that:

- Our customers can deal with us easily and efficiently.
- Our products and services suit customer's needs and always work as they should.
- Our products and services are easily understood by customers.

We use our knowledge and expertise to build our customers' success.

11 PROTECTION OF INFORMATION (PRIVACY)

The Company respects the privacy of others. All employees must maintain the privacy of business information and protect it from any unauthorised disclosure.

Personal and sensitive information relating to customers, suppliers and employees is to be respected and remain private (see the Company's Privacy Policy).

12 CONTINUOUS DISCLOSURE AND PUBLIC COMMUNICATION

The Company has adopted a Continuous Disclosure Policy relating to its obligations under the Corporations Act 2001 and the ASX Listing Rules. The aim of the Continuous Disclosure Policy is to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities, and to correct any material mistake or misinformation in the market. You should ensure you are aware of the requirements of the Policy, and must act in accordance with the Policy (so far as it applies to you).

13 PROTECTED DISCLOSURES

The Company's value of maintaining the "highest standards of integrity" means that the Company will conduct its business legally and ethically. The Company seeks to empower employees who wish in good faith to report improper conduct, so that they can do so without fear of reprisal.

Improper conduct is any conduct that is prohibited under this Code of Conduct.

If you reasonably suspect that another employee has undertaken any improper conduct or plans to undertake some form of improper conduct which is of a serious nature, then you should report it to your Manager or the Company Secretary. The Company will investigate any reported improper conduct while protecting the confidentiality of your identity. A discloser's confidentiality also receives statutory protection under the Corporations Act where a report relates to a potential breach of the Corporations Act and you provide your name before making the disclosure. Your identity will only be disclosed where it becomes necessary because of pending litigation or where there is some other overriding reason for disclosure.

All reports will be investigated discreetly, and, to the extent permitted by law, only those persons who need to know the fact, and the details, of a report, will be informed of it. This may include the Board or the Group Managing Director in severe cases or reports alleging a breach of the Corporations Act. Where necessary, the Company might employ external resources to assist with an investigation.

The Company will not tolerate any form of harassment or retaliation against employees who report improper conduct in accordance with this policy. Provided any report of the improper conduct is made:

- in good faith, that is, reasonably believing it to be true; and
- without malice,

the Company will protect a person who reports unethical or unlawful behaviours.

Threats to cause detriment (whether express, implied, conditional or unconditional) are also prohibited. Under this policy, it is irrelevant whether or not the person threatened actually fears that the threat will be carried out.

HELPLINE

If you have any questions about this Code of Conduct or what is required of you or others, you should contact the Company Secretary (telephone 03 9243 3380) or the Group Managing Director.

DISCLAIMER

Whilst this Code of Conduct endeavours to address a wide range of business practices and procedures, it cannot anticipate every issue that may arise. You are responsible to ensure that you act ethically and lawfully at all times.

This Code of Conduct is a statement of certain fundamental principles, policies and procedures that govern actions in the conduct of the Company's business. It is not intended to, and does not create any rights in any employee, client, customer, supplier, competitor, security holder or any other person.