



COMPANY ANNOUNCEMENT
9 JANUARY 2026

RESPONSE TO ASX LETTER REGARDING LISTING RULE 12.7

Austal Limited (ASX:ASB) refers to the letter received from ASX on 5 December 2025 and further correspondence with ASX. In the letter, ASX notes that ASX Listing Rule 12.7 states:

"If the entity was included in the S&P/ASX 300 Index at the beginning of its financial year it must also comply with the recommendations set by the ASX Corporate Governance Council in relation to composition and operation of the audit committee for the whole of that financial year, unless it had been included in that index for the first time less than 3 months before the beginning of that financial year."

ASX notes it appears that ASB was in breach of Listing Rule 12.7 because at the date of the letter, the chair of the audit committee was not an independent director.

In response to the questions raised in ASX's letter, the Company advises as follows:

1. Address the circumstances giving rise to the non-compliance with Listing Rule 12.7

The Chair of ASB's Audit & Risk Committee was previously Ms Sarah Adam-Gedge, an independent non-executive director. Mr Brent Cubis assumed the role of Committee Chair upon Ms Adam-Gedge's resignation in February 2025. At the time of his appointment to the Board, the Board considered Mr Cubis to be an independent director; that position was subsequently revised to consider Mr Cubis not independent however at the time of this revision the Board did not appoint an alternative independent Chair of the Audit & Risk Committee. We note also that the Audit & Risk Committee has been made up of a majority of independent directors throughout this period.

2. Address the steps ASB will take to comply with Listing Rule 12.7

ASB appointed an alternative, independent, non-executive director as Chair of the Audit & Risk Committee in compliance with Listing Rule 12.7 on 18 December 2025. The new Chair of the Audit & Risk Committee is Ms Sue Murphy.

3. *Address the arrangement ASB will have in place to ensure the proper discharge of the responsibilities that would ordinarily be discharged by an audit committee that meets the recommendations set by the ASX Corporate Governance Council in relation to its composition and operation.*

As described in its FY2025 Corporate Governance Statement, the directors of ASB formed the view that although Mr Cubis is not classified as 'Independent' as that term is described in the ASX Corporate Governance Council Recommendations (due to his affiliation with a major shareholder of the company), the Board nevertheless considered (and continues to consider) Mr Cubis is sufficiently experienced, capable and sensitive to the perception of independence to be able to bring an independent and objective judgment to his duties as a director and as Chair of the Audit & Risk Committee. All directors are required to declare, publish and update any external interests that may generate a conflict of interests at the board level – these declarations are reviewed by all board members and key executives to ensure potential compromises to independence are addressed prior to becoming problematic. Additional measures to address non-independence may include the temporary appointment of an alternative committee Chair or exclusion from discussions or meetings.

In addition, the Company has had additional arrangements in place to ensure independent oversight of accounting judgements both before and after Ms Murphy's appointment as Chair of the Audit & Risk Committee. These include the comprehensive, ongoing and detailed engagement of Deloitte as the Company's external auditor, attendance by the auditor at all Audit & Risk Committee meetings and other measures as described in the Audit & Risk Committee Charter (which can be found on the Company's website). This includes the Committee's obligations to undertake detailed compliance-focused financial reviews, to manage the appointment of external auditors, to satisfy itself as to internal audit and risk management, to review and require such compliance policies and measures as the Committee sees fit in order to ensure appropriate judgments and independence are applied and to enabling the Committee to obtain such external advice or require such attendance at meetings as it sees fit.

This ASX announcement has been approved and authorised for release by Paddy Gregg, Austal Limited's Chief Executive Officer.

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Media Contact:

Cameron Morse
+61 433 886 871
cameron.morse@fticonsulting.com

About Austal:

Austal is Australia's global shipbuilder and defence prime contractor designing, constructing and sustaining some of the world's most advanced commercial and defence vessels.

For 35 years Austal has contracted more than 350 vessels for over 122 commercial and defence operators in 59 countries, worldwide.

Austal is Australia's largest defence exporter and first ASX-listed shipbuilder. Austal has industry-leading shipyards in Australia, the United States of America, Philippines and Vietnam with service centres worldwide, including the Middle East.

Austal delivers iconic monohull, catamaran and trimaran commercial vessel platforms – including the world's largest trimaran ferry and multiple defence programs such as the Littoral Combat Ship (LCS) and Expeditionary Fast Transport (EPF) for the United States Navy.

Austal Limited ACN 009 250 266
100 Clarence Beach Road
Henderson, Western Australia 6166