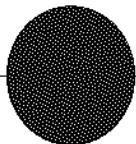


Code of Conduct

**Australian
Pipeline Trust**

ABN 21 858 175 226



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Our Commitment

The APA Board and the APA Executive Team are firmly committed to ensuring that all staff members, including themselves observe the highest standards of ethical behaviour and conduct.

APA's Code of Conduct (Code) and ethical stance are an integral part of our approach to business and are consistent with our purpose and values as an organisation. Our success depends greatly on the extent we individually and collectively reflect and abide by the behaviours and expectations described in our Code.

Our behaviour and actions always need to be consistent with our core values of achievement, credibility and teamwork.

Our Ethical Standards

All Directors, managers, employees and contractors acting on behalf of APA are required to meet the following standards of ethical behaviour:

- Act honestly and with integrity;
- Observe the rule and spirit of the Law and comply with the ethical and technical requirements of any relevant regulatory bodies;
- Exercise due care and diligence in fulfilling our duties and exercising the powers that may be attached to our position;
- Act in the best interests of the APA except where to do so contravenes any of the other ethical standards;
- Avoid any real or perceived conflict of interest;
- Observe the principles of independence in decisions and dealings with both internal and external stakeholders;
- Respect the confidentiality of all confidential information acquired in the course of our duties and not use or disclose such information to third parties without authorisation;

- Uphold our fiduciary responsibilities to our unitholders;
- Respect the rights of employees, customers, suppliers, unitholders and the community at large and to ensure that we meet our legal and other obligations to these parties;
- Do not take advantage of property, information or position, or opportunities arising from these, for personal gain or to compete with the Company; and
- Set a standard of honesty, fairness, integrity, diligence and competency in all that we do, such that our conduct will not discredit APA.

These Ethical Standards are underpinned by our Code of Conduct, which provides more detail about our responsibilities.

A Guide to Ethical Conduct and Decision Making

Our Code is one of a number of elements supporting a self-regulatory approach to the way we do business. The Code is designed to provide practical assistance in performing our daily tasks and resolving situations which may present potential ethical conflicts.

While the Code provides a number of specific examples and guides regarding ethical conduct and decision making, the following simple questions or steps will assist each of us in determining whether a decision or action creates an ethical dilemma or breaches the Code.

- Is the decision or conduct lawful?
- Is the decision or conduct within the meaning or spirit of our values, our Ethical Standards and the APA Code of Conduct?
- Is the decision or conduct consistent with APA's policies and procedures?
- Will the primary beneficiary of the decision or conduct be APA?
- Is the decision or conduct transparent and able to withstand public scrutiny?

While the answer to all of these questions should be YES, there will be times where the answer may seem a bit 'grey' or you are still not comfortable with the decision or conduct. In these cases seek one or more of the following options:

- Clarify the matter with your Leader;
- Request instructions to be put in writing;
- Document all actions, directions and conversations on the issue;
- Seek advice from the Company Secretary, Managing Director or Chairman.

APA will at all times honour and respect the culture and laws of any country in which we do business. Except in circumstances where to do so would cause cultural embarrassment or break the laws of the land, all APA employees and representatives should apply the requirements of this Code in their international dealings.

Our Responsibilities to Unitholders

Transparency

We will ensure that APA continues to meet the expectations of our unitholders and the financial community in general by maintaining a core principle of transparency in the preparation and delivery of financial information.

Financial Integrity

We will exercise diligence and good faith in the preparation of financial information and ensure that such information is accurate, timely and represents a true and fair view of the financial performance and condition of the organisation and complies with all applicable legislative requirements.

Safeguarding Assets

It is incumbent on all employees to ensure the maintenance of a sound system of internal controls to safeguard APA's assets and to manage risk exposure through appropriate forms of control. All leaders are responsible for the personnel, assets and systems under their control.

Privacy

We will safeguard the personal information of unitholders held on APA's Register and only release the information according to the Law.

Insider Trading

Directors, management and employees must not utilise their position for personal gain or for gain of another person. All of us must ensure that any information in our possession that is not publicly available and may have a material effect on the price or value of APA's units is not provided to anyone who may be influenced to subscribe, buy or sell units.

Directors and staff may buy or sell the APA's units only during the four-week periods following the release of the half-year and full-year results. All employees are also precluded from buying or selling APA units at any time if they are aware of price sensitive information that has not been made public, unless the Chairman exercises his/her discretion due to special circumstances.

APA has a Staff Trading Policy which all directors and staff must comply with.

Our Responsibilities to Customers and Suppliers

Integrity of Behaviour

Each of us is expected to act with integrity in all our official activities, avoiding any behaviour that would reflect adversely on us or on APA. Integrity encompasses honesty, probity and loyalty. Individuals are therefore expected, at a minimum, to apply the rules and guidelines of APA's Code of Conduct to all business activities. Gifts, benefits, courses, entertainment etc. should only be offered within the parameters established by the Code. Where a customer, supplier or any third party does not permit acceptance of such hospitality we will honour their requirements.

Confidential Information (including Privacy)

APA has a duty to protect information obtained through our operations belonging to customers and suppliers in order to ensure that their rights to privacy and their commercial interests are safeguarded.

Because of the importance of information to APA and those with which we deal, and the potential for loss, theft or misuse of the information, considerable care must be taken to maintain the integrity and security of all corporate information.

We must not access or request confidential information about third parties unless the information is required in the performance of our duties. Any such information that may have inadvertently come into your possession must be returned to the sender or your Leader immediately.

Any information obtained through your job or through your work-related contacts must not be released unless:

- you are authorised to do so;
- it is public information; or
- the law requires you to do so.

You are also expected to abide by the requirements of both the APA Privacy Policy and the APA Compliance Policy with regards to information obtained.

Trade Practices Act

- We will at all times abide by the rules and regulations of the Trade Practices Act. This includes recognition of our market position and respect for our competitors.

Impartiality

We will act with total impartiality in our dealings with customers and suppliers. We must take care that our personal views and convictions do not compromise or appear to compromise the performance of our official duties. Personal relationships or considerations, including bias or favouritism must not influence decisions for or against third parties or the conscientiousness with which they deliver service.

Both internally and externally, it is inappropriate for any APA person to act in a discriminatory manner. All submissions, applications, representations etc received by APA must be treated equally and judged on their merit alone.

Our Responsibilities to Our Employees

Health and Safety

APA is committed to the health and safety of its employees, contractors and representatives.

Discrimination and Harassment

As part of APA's commitment to good business, employee and community relations you must contribute to a work environment that is free from discrimination and harassment. You must be aware of and abide by APA's Anti-Discrimination Policy. Discrimination, physical or verbal harassment, violence, abuse or assault in the workplace is against the law, and will not be tolerated.

Employee Remuneration and Benefits

The Board and senior management are committed to attracting and retaining high performing people. Our outside award employees have a reward structure based on APA's financial growth and the achievement of personal performance.

Employee Support

APA acknowledges that its people is its heart and soul. The health and well-being of everyone in APA is therefore of great importance.

Our Responsibilities to the Community

APA's Corporate Social Responsibility

APA is committed to proving that it is a responsible corporate citizen which fulfils its moral, ethical and legal obligations enabling our people to actively enhance the communities in which we operate.

Health, Safety and Environment

One of the major aims of APA is to protect the environment in which we operate. Our values require it. APA strives to operate in a manner that minimises health, safety and environment risk to our customers and the public.

APA will report openly and honestly to our employees, customers, investors, the community and to government on health, safety and environmental issues that relate to APA's operations.

Donations

The donations policy outlines the criteria upon which the Managing Director or the Board may approve appropriate donations.

APA does not make any political donations. No APA employee, contractor or representative can receive a donation for the Company under any circumstances.

Personal Responsibilities of Our Employees

Conflicts of Interest

Conflicts of interest exist when it is likely that you could be influenced (or could be seen to be influenced) by a

personal interest in carrying out your duties.

Some examples that may give rise to a conflict of interest are:

- Having a financial interest in a matter APA deals with or having friends or relatives with such an interest that you are aware of.
- Having a personal, philosophical, religious, moral or political belief or attitude that could influence or be seen to influence the impartiality of advice given;
- Having or developing personal relationships with people that APA is dealing with or investigating that go beyond the level of a professional working relationship;
- Accepting secondary employment that may, or may appear to, compromise your integrity and that of APA; and
- Participating in political activities or making political comment that may relate to, or being seen as relating to the Company's business.

In many cases you may be the only person aware of the potential for actual or perceived conflict. It is your responsibility to avoid conflicts that could compromise the impartial performance of your duties and to disclose potential, actual or perceived conflicts of interest to your Leader.

Having a conflict of interest is not 'of-it-self' wrong. What you may choose to do about it could be.

Gifts and Benefits

You should never solicit gifts or benefits while performing your work for APA. You are not to accept a gift, benefit or favour that is intended to, or is likely to, cause you to act in a partial manner in the course of your duties.

It is generally advisable to decline all offers of gifts, benefits, travel, hospitality or other favours. However, it is understood that at times gifts may be offered by way of thank you for your contribution and assistance. In such cases, if the value of the gift is clearly under \$150 you may accept it without approval. However, if you believe the gift could exceed \$150, accept the gift to prevent embarrassment then immediately notify

your Managing Director or Chairman of the gift, its approximate value and the type and extent of the relationship with the person offering the gift. A decision will then be made as to whether you may keep the gift, return it, or otherwise share it with colleagues or the community (ie donate to charity).

To prevent any misunderstandings or embarrassment it is advisable that you diarise all gifts and benefits received regardless of the value. This is particularly important where you are in a position that deals directly with or decides the acceptance, performance or removal of: contractors; consultants; suppliers; customers; employees or other stakeholders who could be seen to benefit from your decision.

Business Lunches, Sponsored Courses and Entertainment

The general rules applying to 'conflicts of interest' and to 'gifts and benefits' also apply here. However, it is recognised that a solid network of relationships can be of an economic benefit to APA and as such, attendance at business related functions are necessary and appropriate. You should adopt the following guidelines when accepting such offers:

- Lunches should be of a modest nature and should not be accepted during times of real or perceived decision making e.g. during a tendering process, or during a period where performance is being questioned. Any lunches that fall outside of these guidelines should be reported to your Leader.
- Courses or other major functions of a night through to several days are often sponsored by organisations with which we do business. You may accept such offers providing the function or course is relevant to APA's business or industry and is held locally allowing you to return home or to work. Offers interstate or internationally should be referred to your Managing Director or Chairman who will make a decision based on the facts and your working relationship with the third party. APA may not pay for all travel and accommodation costs associated with the course or function.
- Entertainment should be considered a 'benefit' and treated with the same protocols as other gifts and benefits.

Once again, to prevent any misunderstandings or embarrassment it is advisable that you diarise all business lunches, sponsored courses and entertainment received regardless of the value or location. This is particularly important where you are in a position that deals directly with or decides the acceptance, performance or removal of: contractors; consultants; suppliers; customers; employees or other stakeholders who could be seen to benefit from your decision.

Confidential Information (including Privacy)

APA has information that must be protected to allow it to operate as a business in a competitive environment and as a conscientious corporate citizen. Because of the importance of information to APA and those with which we deal, its loss, theft or misuse is considered very serious. You should therefore take great care to maintain the integrity and security of all corporate information.

You must not access or request confidential Company information unless the information is required in the performance of your duties. Any such information that may have inadvertently come into your possession must be returned to the sender or your Leader immediately. Any information obtained through your job or through your work-related contacts must not be released unless:

- You are authorised to do so;
- It is public information; or
- The law requires you to.

You are also required to abide by the requirements of both the APA Privacy Policy and the Compliance Policy with regards to information obtained.

Use of Company Resources

APA resources are provided for the purpose of undertaking the business of APA and are generally not for the unauthorised use of employees or contractors.

Within reason, the limited use of computers, telephones, stationary and motor vehicles for private purposes is acceptable, provided they are not used for private income producing purposes. APA reserves the right to prohibit or restrict the use of its resources.

Where there is any doubt as to your right to use APA resources for private purposes, either on a continuous basis or for a one up 'home-project', it is your responsibility to seek approval from your Leader, preferably in writing. Whether or not APA resources are being used for Company or private purposes it is incumbent upon you to use such resources efficiently, economically and carefully. You are also expected to abide by existing APA security requirements when resources are within your possession.

Public Comment and Political Participation

As a member of the community you have the right to enter into public debate in your private capacity. However, you must ensure that such comment is in no way attributed to your capacity as an employee of APA, unless that is the expressed purpose of your comment. Public comment includes public speaking engagements, comments on radio and television or in letters to newspapers and expressing views in books, journals, and notices or over the Internet where it is expected that the comments will spread to the community at large.

You must also ensure that any participation in political activities through either a political party, cause, movement or lobby group does not place you in conflict with your duties within APA. This is important because you must be seen by APA and the public to be able to act impartially.

This does not mean that you should not participate in such activity, only that it must be at arms length. What is considered appropriate political participation depends on the nature of the issue, the extent of participation, your position within the Company and your public prominence.

It is your responsibility to avoid conflicts that could compromise the impartial performance of your duties and to disclose potential, actual or perceived conflicts of interest to your Leader.

Post APA Employment

You must not use the influence of your position to obtain opportunities for future employment. You should not allow yourself or your work to be influenced by plans for, or offers of, employment outside APA. If you do, there is a conflict of interest.

When leaving APA you must return all Company property in your possession as well as any documents or items which relate to the work of APA and which is not otherwise publicly available.

Former APA staff are not to use, or take advantage of confidential information obtained in the course of their official duties until it has become publicly available. Where applicable, former employees are bound by contractual or legislative constraints on the use of confidential information.

You should be careful in your dealings with former APA staff and make sure that you do not give them, or appear to give them, favourable treatment or access to privileged information.

Private Employment

Many people engage in private employment either paid or unpaid. These may include voluntary community organisations, charities, professional associations or family and part-time businesses.

As a general rule, provided such employment does not create a real or perceived conflict of interest and does not reduce or diminish your work hours and performance at APA, you have no obligation to inform the Company of such activity. However, where 'time-off' is required or conflict could be seen to exist, you are required to notify your Leader of any private employment.

Training and Compliance Program

The program is under regular scrutiny and continuous improvement.

Whistleblowing

APA is committed to the highest ethical standards and conduct and it is every person's responsibility not only to act honestly but also to report any instances of possible corruption, breaches of the law and/or maladministration.

You can report such possible occurrences to either the Chairman, Managing Director, Company Secretary, Chief Financial Officer and General Manager Commercial. You may report such potential occurrences either personally or anonymously with a guarantee of anonymity so far as due process will allow. It should be understood that in certain circumstances the Law might require some form of formal disclosure.

In reporting such potential occurrences, provided they are not done so maliciously and without probable cause, you will not be in any way disadvantaged by your action. This includes harassment, discrimination, and future bias towards your career.

All information supplied by the whistleblower will be treated with the strictest confidence and will remain under tight security.

Breaches of the Code

Breaches of the Code of Conduct may result in disciplinary action including dismissal, formal caution or demotion. Any breaches must be passed by a Leader to the Company Secretary/General Manager Corporate. Where necessary, cases will be referred to the Police or other authorities. Before disciplinary action is imposed, employees will be given the opportunity to present their views on the alleged misconduct.

