

CODE OF CONDUCT

MALIBU BOATS, INC.

This Code of Conduct (the “Code”) provides guidance to all directors, officers and employees of Malibu Boats, Inc. and its subsidiaries (“Malibu”) and assists us in carrying out our daily activities within appropriate ethical and legal standards. This Code also summarizes our expectations of accountability and the responsibility of all directors, officers and employees of Malibu. The general principles that guide our conduct go beyond mere compliance with laws and regulations. They are the foundation to the kind of company that we want to be.

Introduction

We will uphold the highest professional standards in all global business operations. Likewise, the ethics of our suppliers, service providers and business partners is of utmost importance. We expect those with whom we do business to have, and follow, a similar code of ethical conduct. This Code requires unequivocally:

- compliance with all applicable governmental laws, rules and regulations wherever Malibu operates;
- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, and the appropriate self-disclosure to Malibu of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- full, fair, accurate, timely and understandable reporting in Malibu’s books and records and in all reports and documents that Malibu files with, or submits to, our external investors, accountants and auditors and in other public communications made by Malibu;
- prompt internal reporting of violations of this Code or of any law affecting Malibu’s business; and
- accountability for failures to adhere to this Code.

While we are all obligated to follow this Code and are responsible and accountable for our own conduct, Malibu expects our leaders to set the example – to be in every respect a model. They must ensure that those who report to them have sufficient information to comply with law, regulation and policy, as well as the resources to resolve ethical dilemmas. They must foster and maintain a culture within Malibu that promotes the highest standards of ethics and compliance. We must never sacrifice ethical behavior and legal compliance in the pursuit of business objectives. Everyone is responsible and accountable for promptly reporting any potential violations of this Code or any law or regulation. We must do more than follow the letter of the law – we must do the right thing. Above and beyond strict legal compliance, each director, officer and employee is expected to observe high standards of business and personal ethics in the discharge of their assigned duties and responsibilities. This requires the practice of fair dealing, honesty and integrity by each director, officer and employee in every aspect of dealing with other Malibu employees, the public, the business community, stockholders, customers, suppliers, competitors and governmental and regulatory authorities.

When in doubt – ask. Employees of Malibu who have questions regarding business conduct or possible violations and/or want to report a potential violation should contact the Chief Financial Officer, who has direct access to the Audit Committee of Malibu’s Board of Directors (the “Board”), as needed. All inquiries and/or reporting violations are confidential and may be made anonymously. You may contact the Chief Financial Officer via e-mail, mail, or telephone:

Wayne Wilson
Email: waynew@malibuboats.com
Phone: (856) 458-7239
Address: 5075 Kimberly Way
Loudon, TN 37774

Members of the Board may contact the Chair of the Audit Committee directly. For more information concerning questions about and reporting violations of this Code, see the section below titled “Administration – Compliance Program.”

Conflicts of Interest

Directors, officers and employees are expected to make or participate in business decisions and actions in the course of their employment with or service to Malibu based solely on the best interests of Malibu as a whole, free of conflicts of interest. A conflict of interest may occur if your outside activities or personal interests influence or appear to influence your ability to make objective decisions. A conflict of interest may also exist if the demands of any outside activities hinder or distract you from the performance of your job or cause you to use Malibu’s resources for purposes other than Malibu’s. It is your obligation to ensure that your interests remain free of conflicts in the performance of your responsibilities at Malibu. It is impossible to identify all potential conflicts of interests, but they may include investments that may create a conflict, the outside development of technology or intellectual property within Malibu’s industry, outside directorships or serving on technical advisory boards and the receipt or giving of any gift. Any potential conflict of interest must be reported as soon as it is recognized. If you have any question as to whether any action may create a conflict of interest, you must first discuss the matter with our Chief Financial Officer. Without limiting the considerations that should go into determining whether a conflict of interest exists, the following guidelines generally apply to directors, officers and employees of Malibu:

1. **Duty of Loyalty**. Directors, officers and employees may not engage in, directly or indirectly, either on or off the job, any conduct that is disloyal, disruptive, competitive, or damaging to Malibu.
2. **Conflicting Employment**. Directors and officers may not, without the consent of Malibu’s Chairman of the Board, and employees may not, without the consent of the Chief Financial Officer, accept a position as a director, officer, partner or employee with any organization that does business with, or competes with, Malibu. This prohibition on employment includes serving as an advisor or consultant to any organization of that type, unless the activity is conducted as a representative of Malibu.
3. **Financial Conflicts of Interest**. Directors, officers and employees must disclose any direct or material indirect financial interest they or their immediate families have in any firm that does business or competes with Malibu. For purposes of this policy, a material indirect financial interest is where a director, officer or employee has more than 5% interest in the firm with which Malibu conducts business or competes (or in a firm able to exert significant control over the conduct of business matters for that firm doing business with Malibu). Malibu may require

divestiture of the interest if it considers the financial interest to be in conflict with its best interests.

Gifts

Malibu recognizes that in some cultures good business relations may sometimes involve the exchange of symbolic gifts, entertainment and hospitality. Any gift, entertainment or hospitality offered or provided by Malibu must comply with the following mandatory principles:

- it is permitted by local law;
- it has not been solicited by the recipient;
- the value is reasonable and appropriate to the recipient's position and circumstances and to the occasion so that it does not create an appearance of bad faith or impropriety and could not reasonably be misunderstood by the recipient or others as a bribe, kickback or improper inducement;
- it does not involve the payment of cash or cash equivalents;
- the frequency of prior gifts or hospitality provided to the same recipient would not raise an appearance of impropriety.

Malibu may receive appropriate complimentary products or services. Malibu may also make a gift of equipment to a company or organization, provided that the gift is openly given, with full knowledge by Malibu or organization, and is consistent with applicable law. Any gifts of greater than nominal value received should be turned over to the Chief Financial Officer for appropriate disposition. In all cases, the exchange of gifts will be conducted so there is no appearance of impropriety. Gifts may only be given in accordance with applicable laws, including the U.S. Foreign Corrupt Practices Act ("FCPA").

Directors, officers and employees may accept or offer a meal or refreshments without pre-approval only if all of the following are present:

- the mandatory principles set forth above are satisfied and the meal is business-related;
- the value is that of an ordinary working meal under local standards; and
- the meal does not include the spouse or other guests of the invitee.

Corporate Opportunities

Directors, officers and employees of Malibu stand in a fiduciary relationship to Malibu and must advance its legitimate interests when the opportunity to do so arises. It is a breach of this fiduciary duty for any such person to take advantage of a business opportunity for his or her own or another person's personal profit or benefit when the opportunity is within the corporate powers of Malibu and when the opportunity is of present or potential practical advantage to Malibu unless the Board knowingly elects not to avail itself of such opportunity and such person's participation is approved in advance by the Board. If such a person appropriates such a Malibu corporate opportunity, Malibu may claim the benefit of the transaction or business and such person exposes himself or herself to liability in this regard.

Confidential and Proprietary Information

It is essential that every director, officer and employee maintain confidentiality regarding information and trade secrets encountered at work. As used in this Code, "Confidential Information" includes, without limitation, all forms of intellectual property, trade secrets, new or existing product secrets or configurations, manufacturing equipment and processes, business plans and strategies, cost and pricing information, proprietary data, financial information, computerized documents and software, and

the like. Confidential Information may not be released to or discussed with outside parties or with other employees who do not have a valid business reason to know the information. The use of Confidential Information and other proprietary information (whether Malibu's or a third party's) should be covered by a written confidential disclosure agreement or non-disclosure agreement. All directors, officers and employees are required to disseminate Malibu Confidential Information only on a need to know basis and only after appropriate approvals have been secured. Moreover, every director, officer and employee must refrain from using Confidential Information for personal gain or advantage. All directors, officers and employees who have access to or otherwise handle Confidential Information are responsible for the reasonable security of the information and its handling during the course of their employment with or service to Malibu, including when such medium containing the information is taken from the work site in the course of performing their duties or otherwise. All questions regarding the handling, sharing, possessing, disseminating, communicating or securing of Confidential Information should be directed to an employee's functional manager. Actual or potential conflicts of interest arising from receipt or possession of such information should immediately be disclosed.

All Malibu directors, officers and employees must be aware and agree that Malibu retains legal ownership of the product of their work. No work product created while employed by or serving Malibu can be claimed, construed, disclosed or presented as property of the individual, even after employment by Malibu has been terminated or the relevant project completed. This includes any information reflected in written and electronic documents, audio and video recordings, system code, and any concepts, ideas, or other intellectual property developed for Malibu, regardless of whether the intellectual property is actually used by Malibu. The Chief Executive Officer or his/her designee will enforce the adherence to the above and further will ensure all Confidential Information and property that the employee has in his/her possession, without limitation (including any home files, software, copies, including, documents, files, records, manuals, information stored on a personal computer or on a computer disc, supplies, and equipment or office supplies, etc.) is returned upon the termination of any employee.

It is Malibu's right and intention to take any and all legal remedies against any person violating this policy, including but not limited to termination of employment.

Using Third-Party Intellectual Property

Intellectual property includes copyrights, trademarks and patents. Directors, officers and employees of Malibu may sometimes need to use third-party copyrighted material to perform their jobs. Before such third-party material may be used, appropriate authorization from the copyright holder shall be obtained. It is against Malibu policy and it may be unlawful for any employee to copy, reproduce, scan, digitize, broadcast or modify third-party copyrighted material unless written permission from the copyright holder has been obtained prior to the proposed use.

Financial Reporting

As a public company, Malibu's filings with the Securities and Exchange Commission must be accurate and timely. Each employee of Malibu is responsible for the integrity and accuracy of our documents and records, not only to comply with regulatory and legal requirements but also to ensure that records are available to defend our business practices and actions. No one may alter or falsify information on any record or document. Depending on their position with Malibu, employees may be called upon to provide information to assure that Malibu's public reports are complete, fair and understandable. Every employee, therefore, plays a role in accurate and ethical financial reporting and is accountable for that responsibility.

International Business, Laws and Governments

As a U.S.-based company with international operations, Malibu is subject to laws and regulations both in the U.S. and abroad. Violation of governing laws and regulations subjects Malibu (and, in many cases, the individual who caused the violation) to significant risk in the form of fines, penalties and damaged reputation. Each director, officer and employee, therefore, must comply with applicable laws, regulations and corporate policies. Without limiting the generality of the foregoing, directors, officers and employees of Malibu shall adhere to the following policies regarding compliance with embargoes, boycotts and sanctions:

1. Malibu's policy is to comply fully with customs laws, regulations and policies in all countries where Malibu does business. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC"), maintains a comprehensive list of countries subject to embargo, boycott, and sanction by the United States. These embargoes, boycotts, and sanctions operate to prohibit or restrict Malibu, its directors, officers, employees, and agents, from doing business in, or with businesses originating from, the affected countries. These prohibitions or restrictions extend to both domestic and foreign transactions conducted by Malibu. Employees will obtain written authorization from Malibu's Chief Financial Officer or Chief Executive Officer before providing design, development or production technology to other countries or nationals of other countries.
2. OFAC regulations also prohibit transactions with certain restricted counter parties identified on a Special Designated Nationals and Blocked Persons List.
3. All directors, officers, employees and agents of Malibu will comply, in the conduct of Malibu's business, with the applicable laws prohibiting the sale of its products and services to countries identified by OFAC as subject to embargo or boycott and will abide by any and all the restrictions set forth by OFAC governing other countries and persons under sanction or restriction.
4. Any action that may require a report to a governmental agency in compliance with a boycott or sanction request, even though such action is not prohibited by law or applicable regulations and does not invoke any tax sanctions, must be cleared in advance with the Chief Financial Officer or Chief Executive Officer.
5. All directors, officers and employees of Malibu will refrain from taking any of the following actions, with intent to comply with, further, or support any boycott imposed by a foreign country against a country which is friendly to the United States:
 - refusing, or requiring any other person to refuse, to do business with or in the boycotted country, or with any business concern or national or resident of the boycotted country, or to agree or abide by any request or requirement by a boycotting country to refrain from doing business to a boycotted person or entity;
 - furnishing information with respect to the race, religion, sex or national origin of any director, officer, employee, agent or stockholder of Malibu or of any subcontractor, partner or supplier of Malibu, or otherwise refusing, or requiring any other person to refuse, to employ or otherwise discriminate against any director, officer, employee, agent or stockholder of Malibu or of any subcontractor, partner or supplier of Malibu, on the basis of race, religion, sex, or national origin; and
 - furnishing information about whether any director, officer, employee, agent or stockholder of Malibu or of any subcontractor, partner or supplier of Malibu: (1) is a member of, has made contribution to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports the boycotted country; or (2) has, has had, or

proposes to have any business relationship with or in the boycotted country, with any business concern or national or resident of the boycotted country, or with any other person who is known or believed to be restricted from having any business relationship with or in the boycotted country.

Foreign Corrupt Practices Act

Malibu requires full compliance with the FCPA by all of its directors, officers, employees, consultants, agents, distributors, dealers and resellers. The anti-bribery and corrupt payment provisions of the FCPA make illegal any corrupt offer, payment, promise to pay or authorization to pay any money, gift or anything of value to any foreign official, or any foreign political party, candidate or official, for the purpose of (1) influencing any act, or failure to act, in the official capacity of that foreign official or party; or (2) inducing the foreign official or party to use influence to affect a decision of a foreign government or agency, in order to obtain or retain business for anyone, or direct business to anyone. Without limiting the generality of the foregoing, the following policies apply:

1. **Anti-Bribery.** All Malibu directors, officers and employees (as well as any third party intermediaries, such as an agents, distributors, dealers, resellers, representatives or business partners) are prohibited from corruptly offering, promising, authorizing or paying anything of value to any foreign official, any foreign political party or official thereof, or any candidate for foreign political office, in order to influence the official for the purpose of obtaining or retaining business or securing some other improper advantage.
2. **Travel and Entertainment.** Payments directly or indirectly benefitting a government official, including payments for travel, hospitality, meals and promotional expenses, and the giving of gifts of nominal value, may be made only under extremely limited circumstances. Reasonable, bona fide expenses by Malibu for government officials incurred while promoting Malibu, its products and capabilities, such as when hosting a tour of public officials at a Malibu manufacturing facility or entertaining employees of a state-owned firm, may be deemed a legitimate expense under global anti-corruption laws. Also, reasonable expenditures directly or indirectly benefitting a government official when directly made in connection with the execution and performance of a government contract may be considered lawful. On the other hand, paying excessive travel and entertainment expenses on behalf of a government official, even when part of a legitimate promotional activity, can be considered a bribe. Further, travel, meals and entertainment expenses, no matter how minor or customary, when made in connection with non-promotional activity such as those related to obtaining government permits, certifications and inspections subject to government discretion, are not allowed. A close examination of the circumstances and purposes of any such government-related expenditure is required to determine whether it is appropriate and lawful. Accordingly, any expenditure for entertainment, meals, travel expenses, Malibu promotional items, gifts of a nominal value and other business courtesies may not be offered, made or incurred to, for or on behalf of a government official, political candidate, or employee of a government-owned entity except upon prior, written approval of Malibu's Chief Financial Officer or Chief Executive Officer. All such expenditures, as well as requests and justifications for the payment for such travel, hospitality, meals or gifts, must be documented and supplied to the Chief Financial Officer for Malibu.
3. **Facilitating Payments.** Although the FCPA permits occasional and minor "facilitating" payments to ministerial government officials in order to obtain non-discretionary, routine governmental action, such as obtaining a permit where the official has no discretion in the matter, obtaining other non-discretionary action such as the provision of police protection, or the processing of a visa, customs invoice, entry document or other governmental paper, there are other laws of potential application to Malibu that prohibit such payments, including the U.K.

Anti-Bribery Act and most local laws. Accordingly, requests for such payments must also be approached with extreme caution. No “facilitating” payments will be approved except in unusual and circumstances and then only upon the prior written approval of the Chief Financial Officer or Chief Executive Officer. All requests for approval made under this policy will also be copied and delivered in advance to the Chief Financial Officer for Malibu.

4. **Transactions Involving Government Officials.** Retaining a government official (as an agent, lobbyist, consultant, etc.) may be permissible but must be handled with extreme caution. Such relationships must strictly meet the requirements of all applicable anti-corruption laws, including the FCPA. No such relationship may be negotiated without the prior approval of the Chief Executive Officer and Chief Financial Officer. Similar caution must be exercised where a potential employee or agent is affiliated with an organization that could be deemed to be a government instrumentality, or where the potential employee or agent has a familial relationship with a government official or was previously engaged in government service. If you face any of these circumstances, you should consult Malibu’s Chief Financial Officer.
5. **Transactions with Intermediaries and Partners.** Payments to agents, contractors, consultants, intermediaries or partners who themselves subsequently make an illegal payment violate this policy and potentially exposes Malibu to direct liability. In order to minimize this risk, a reasonably diligent risk assessment and risk-based review of the reputation, expertise, experience and past performance of potential agents, contractors, intermediaries or partners should occur prior to their doing business with, or on behalf of, Malibu, to include determining their connection, if any, to government officials directly, or indirectly, such as through family members or business associates of government officials. In addition, certain anti-corruption contractual provisions designed to better ensure compliance by agents, contractors, intermediaries or partners with the standards set forth in the FCPA, the U.K. Anti-Bribery Act, local laws and this policy have been or may be developed by Malibu and, as applicable, shall be included in all agreements with agents, contractors, intermediaries or partners to the extent commercially feasible. Further, payment or delivery to any such agent, contractor, intermediary or partner that does business with or otherwise regularly interacts with government officials of cash or cash equivalents, whether paid or delivered as compensation, gifts or otherwise, must be avoided.
6. **Accounting; Books and Records.** Because accurate and complete recording-keeping practices ensure that improper and inappropriate expenditures are not made, anti-corruption laws, including the FCPA, typically require the maintenance of strictly accurate books and records. Accordingly, directors, officers, employees and agents of Malibu are responsible for maintaining a system of internal accounting controls and for making and keeping books and records which, in reasonable detail, accurately and fairly reflect transactions and the dispositions of assets. False, misleading or incomplete entries in such records or in other documents are prohibited. No undisclosed or unrecorded fund or account may be established for any purpose. Malibu’s record-keeping systems must provide reasonable assurances that (a) transactions are executed in accordance with management authorization; (b) transactions are recorded so as to permit preparation of accurate financial statements and to maintain accountability for assets; (c) access to assets has been in accordance with management authorization; and (d) appropriate auditing and accounting functions can be conducted.
7. **State Owned Enterprises.** Anti-corruption laws and regulations may apply to transactions with or payments to persons having no official title but employed in a management position with a state-owned entity; to persons affiliated with an entity that is a joint venture partner of Malibu as to, or in, which entity a governmental body exercises control or maintains any ownership interest; or to entities in which a government official has an equity interest in, or serves as a director or officer of, a joint venture partner of Malibu. Special care must be taken in such situations to

ensure that no funds of Malibu are paid, loaned, given, or otherwise transferred, directly or indirectly, to any government official, or to any entity in which such person is known to have a material interest. This would include the payment of directors' fees and any similar form of compensation.

8. **Charitable Contributions and Support for Social Projects.** Monetary and other contributions to charities, social projects and funds, including schools, educational funds and infrastructure projects, should be handled with caution because they can be conduits for corrupt payments. In order to minimize this risk, Malibu requires an appropriate and reasonable inquiry be conducted into such charities and projects. Any such contributions require prior approval of the Chief Financial Officer or Chief Executive Officer.

Antitrust

The United States and most nations in which Malibu does business have laws prohibiting certain business practices that could inhibit effective competition. In accordance with these laws, Malibu's directors, officers and employees shall comply with the following policies:

1. Malibu will comply in all respects with applicable antitrust and competition laws.
2. No director, officer or employee of Malibu shall enter into any understanding, agreement, plan or scheme, express or implied, formal or informal, with any competitor in regard to prices, terms or conditions of sale or service, production, distribution, territories or customers.
3. No director, officer or employee of Malibu shall exchange or discuss with a competitor prices, terms or conditions of sale or service, or any other competitive information.
4. Normal subcontracting arrangements or joint proposals with competitors which are not in violation of applicable antitrust or competition laws and which have been approved by the Chief Executive Officer, Chief Operating Officer or Chief Financial Officer are not prohibited by this Code. Any discussion with competitors in connection with a project in which the competitor is an alliance partner, joint ventures or subcontractor must first be cleared and coordinated with the Chief Executive Officer or Chief Financial Officer.
5. Each director, officer and employee responsible for the conduct or practices of Malibu that may involve the application of the antitrust or competition laws should consult with and be guided by the advice of the Chief Executive Officer or Chief Financial Officer. Any questions on matters having possible antitrust or competition implications will be referred to the Chief Executive Officer, Chief Financial Officer or outside counsel prior to taking any action with respect to such matters.

There shall be no exception to these policies, nor shall they be compromised or qualified by anyone acting for or on behalf of Malibu.

Political Contributions

No Malibu assets may be contributed to any political candidate, political actions committee (aka "PAC"), political party, or ballot measure without the permission of the Chief Financial Officer, Chief Executive Officer, Chairman of the Board of Directors or the Board of Directors. Of course, directors, officers and employees of Malibu may participate in any political activities of their choice on an individual basis, with their own money and on their own time. While Malibu does not discourage directors, officers and employees from contributing to political parties or candidates for office, we

encourage them to consider whether such contributions are of such a scale and nature as to avoid compromising the integrity or impugning the reputation of the public official or Malibu.

Environmental Responsibility

One of our key environmental goals is to conduct our operations in an environmentally responsible manner. We are committed to reducing any negative environmental impact of our company by working together with the government, industry and our customers to develop policies and practices that will ensure a healthy environment for present and future generations.

Discrimination

It is the policy of Malibu not to discriminate against employees, officers, stockholders, directors, customers or suppliers on account of race, color, age, sex, religion, national origin or any other category protected by federal, state or local law. All of such persons shall be treated with dignity and respect without regard to any such factor and they shall not be unreasonably interfered with in the conduct of their duties and responsibilities.

Waivers of the Code of Conduct

Any waiver of this Code may be made only by the Board to the extent necessary and warranted and will be promptly disclosed if required by law or regulation of any applicable securities exchange or market.

Administration – The Compliance Program

This Code shall be enforced by the senior executive management of Malibu, directly and through their delegates, through the operation of a compliance program (the “Compliance Program”) overseen by the Board and its Audit Committee.

The Compliance Program will have the following minimum features:

1. All current directors, officers and employees and new hires and appointments will receive and will be required to acknowledge receipt and understanding of this Code, to include all policies referred herein.
2. While overall managerial oversight responsibility for the Compliance Program will reside in the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, Malibu will delegate day-to-day responsibility for the operation of the Compliance Program to its designated Chief Financial Officer.
3. The Chief Financial Officer will in the first instance be responsible for ensuring compliance with the Code by, among other things, timely documenting, reporting and investigating suspected material violations of the Code that come to their attention; ensuring the delivery of Code training; and making recommendations as to the implementation of any modifications and enhancements to any Malibu policy, practice or procedure and to the Compliance Program. All employees are expected to cooperate fully in internal investigations of misconduct. The Board, or the Audit Committee, will assess any findings from the investigation and recommend appropriate discipline, up to and including possible termination, corrective action or other changes that need to be made.

4. Malibu fosters a free and open atmosphere that allows and encourages directors, officers, employees and agents and others to express work-related concerns about ethical issues and/or to report violations or suspected violations of laws, regulations and Malibu policy. Directors, officers and employees are not only encouraged, but are required, to report any violations of law or of this Code to his or her supervisor or to the Chief Financial Officer, as appropriate.
5. Timely periodic reports will be made to the Audit Committee of the Board of Directors about the activities of the Chief Financial Officer, as well as regarding material violations of the Code.
6. Directors, officers and employees who are found to have violated this Code or any law or regulation concerning the business of Malibu will be held accountable and may face disciplinary measures, up to and including termination of employment.
7. To encourage timely reporting, an employee hotline has been established and is monitored by the Chief Financial Officer. All employees will be advised of the existence of the employee hotline and their right to report suspected violations of law, and of this Code, even on an anonymous basis. The number of the employee hotline is (855) 400-6002.

Malibu will not tolerate retaliation for reports made in good faith, and provides full protection for those reporting violations. Anyone who retaliates or attempts to retaliate against a reporting employee will be subject to discipline, up to and including termination. Directors, officers and employees are expected to cooperate in internal investigations of misconduct. Any director, officer and employee may submit a good faith concern regarding questionable accounting or auditing matters without fear of dismissal or retaliation of any kind.

Final Words of Advice

This Code is not intended to be all-inclusive. All directors, officers and employees are required to comply with each of the rules, regulations and policies outlined above, as well as others adopted by Malibu in the exercise of its right to manage its business.

A reasonable and practical standard of ethical behavior in business decisions and actions is that which would not be embarrassing to you, your family, or Malibu, if it were revealed publicly. If you have any doubt about what you're doing, don't do it. No resource is more important to Malibu than the contributions made by its employees. We strive to create and maintain a work environment that fosters honesty, personal growth, teamwork, open communication and a dedication to our values. Our employees are the source from which our ideas, actions and performance flow. The full potential of Malibu is best realized in an environment that breeds fairness, self-fulfillment, teamwork and dedication to excellence.

Remember, your words, as well as your actions, illustrate your commitment to ethical and lawful behavior and adherence to the policies of Malibu. Misconduct by a few can discredit and harm our company's reputation. Each individual is ultimately responsible for his or her own ethical practices. By working together, each of us can contribute to the continuing growth, quality, productivity and success of Malibu.

Adopted January 6, 2014