

ETHICAL SOURCING POLICY

This policy defines the Multitone-Group social and environmental performance requirements for suppliers of goods and services to the Company. It is based on the Electronics Industry Code of Conduct (EICC) which establishes standards to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity and that business operations are environmentally responsible.

We recognise our corporate and social responsibilities reside as much in our supply chain as in our own activities. We continually seek to ensure that the products and services we source are ethically produced. We look for suppliers that demonstrate a commitment to implementing policies and practices consistent with and complimentary to, our own.

Labour Standards

Multitone expects suppliers to adopt sound labour practices and to treat their employees fairly in accordance with local laws and regulations regarding labour and employment and to adhere to the following requirements:

Employment is Freely Chosen

Suppliers will not use forced, bonded or involuntary prison labour. Workers are not required to lodge 'deposits' or their identity papers with the employer and are free to leave once their shift ends or after giving their employer reasonable notice.

Child Labour

Suppliers shall not use child labour. 'Child' is defined as a person who is younger than the local legal age for completing compulsory education. Suppliers shall verify the age of their workers and maintain copies of their workers' proof of age. Suppliers shall follow all applicable laws, regulations and the International Labour Organisation (ILO) standards regarding working hours and conditions for all employees.

Involuntary Labour

Suppliers shall not use involuntary labour. 'Involuntary Labour' is defined as work or services which are extracted from any person under threat or penalty for its non-performance and for which the worker does not offer himself or herself voluntarily, and includes all manner of prison, bonded, indentured and forced labour.

Immigration Law Compliance

Suppliers shall only employ workers with a legal right to work, including workers obtained through an employment agency. Worker's legal right to work must be validated by reviewing original documentation prior to commencement of work.

Non Discrimination or Harassment

Suppliers shall employ workers solely on the basis of their ability to do the job and shall not discriminate on the basis of age, gender, racial characteristics, maternity or marital status, pregnancy, sexual orientation, disability, national, cultural religious or personal beliefs in relation to hiring, wages, benefits, termination or retirement. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Freedom of Association and Collective Bargaining

Suppliers shall respect the rights of workers to associate, organise and bargain collectively in a legal and peaceful manner. Suppliers shall ensure that employee representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, suppliers must not hinder the development of parallel means for independent and free association and bargaining.

Working Conditions are Safe and Hygienic

Suppliers shall provide a safe and hygienic working environment, including monitoring of compliance with applicable legislation, regulations and the ILO standards.

Suppliers shall ensure that personal protective safety equipment is available and workers are adequately trained in its use. Safeguards on machinery must meet or exceed local laws and workers shall be provided with all appropriate protective equipment.

Working Hours

All working hours will comply with national laws and benchmark industry standards, whichever affords greater protection. Overtime work should be voluntary and overtime should not be requested on a regular basis. Suppliers shall guarantee workers breaks and days off in compliance with applicable law.

Wages and Benefits

Suppliers shall provide wages and benefits that comply with all local laws and regulations or match prevailing manufacturing or industry rates, whichever is higher. Overtime pay shall be calculated at the legally required rate regardless of whether workers are compensated hourly or by piece rate.

Regular Employment is Provided

To every extent suppliers must ensure work performed must be on the basis of a recognised employment relationship established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the imposed use of labour only contracting or home working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive and prevalent use of fixed term contracts of employment.

Environmental Standards

Suppliers shall as a minimum comply with all applicable laws and regulations relating to the environmental impacts of their business and maintain procedures for notifying local authorities in the event of an environment accident resulting from the supplier's operation. Supplier compliance with environmental law shall include any international or applicable local laws affecting the source of materials and processes used to manufacture products. Detailed performance standards are a matter for suppliers but should address at least the following:

Waste Management: - Waste is minimised and items recycled whenever this is practicable. Effective controls of waste in respect of ground, air, and water pollution must be adopted. In the case of hazardous materials, emergency response plans must be put in place.

Packaging and Paper: - Undue and unnecessary use of materials shall be avoided and recycled materials should be used whenever appropriate.

Conservation: - Processes and activities shall be monitored and modified as necessary to ensure conservation of scarce resources, including water, flora and fauna and productive land in certain situations.

Energy Use: - All production and delivery processes, including the use of heating, ventilation, lighting, IT systems and transportation, must be based on the need to maximise efficient energy use and to minimise harmful emissions.

Production Selection: - Proactively work with and provide assistance to Multitone in selecting products which are environmentally beneficial.

Arms

Suppliers shall not be engaged:

1. in the manufacture of arms; or
2. in the sale of arms to governments which systematically violate the human rights of their citizens; or where there is internal conflict or major tensions; or where the sale of arms may jeopardise regional peace and security.

Conflicts of Interest

Suppliers and contractors must avoid any situation that may involve a conflict or the appearance of a conflict between their personal interests and the interests of Multitone. Each supplier and contractor must make prompt and full disclosure to Multitone of any situation which may involve a conflict of interest. Conflicts of interest include, but are not limited to:

- Ownership of a significant financial interest in any competitor of the Multitone-Group
- Serving as a director, officer, partner, consultant or in any competitor of the Multitone-Group
- Acting as a broker, finder or other intermediary for the benefit of a third party in transactions involving the Multitone-Group or its interests
- Any other arrangement or circumstance, including family or other personal relationships, which might influence the supplier or contractor from acting in the best interest of the Multitone-Group

Insider Trading

Suppliers must ensure that non-public information obtained as a consequence of a relationship with the Multitone-Group may not be used for the personal profit of the supplier, contractor, and their employees or of anyone as a result of association with their employees

The Corporations Act 2001 contains stringent prohibitions against insider trading. This prohibited conduct applies both to the securities of the Multitone-Group and of those of its customers, suppliers, or other companies with whom, Multitone does business.

Business Courtesies and Inducements

Offering, giving, soliciting or receiving any form of bribe or under the table payment, including unauthorised gifts is prohibited. Good judgement and moderation must be exercised to avoid misinterpretation and any adverse effect on the reputation of the Multitone-Group or its employees.

Intellectual Property

Suppliers and contractors must use Multitone-Group trade information, copyrights and trademarks only in a manner that is permitted under their contract with the Multitone-Group, and in any event, safeguard them as assets of the Multitone-Group and not misappropriate or infringe the trade information, trademarks, or copyrighted works of others.

Suppliers and contractors must not use trade secrets or proprietary or confidential information for their own purposes or disclose such information to unauthorised third parties.

Confidentiality

Suppliers and contracts must protect Multiton Elektronik GmbH information, not disclose it to a third party and use it only for the business of Multiton Elektronik GmbH.

Monitoring and Compliance

Generally, suppliers will not be engaged as a preferred supplier to the Multitone-Group unless the Ethical Sourcing Policy can be complied with and Multiton-Group considers performance is acceptable or genuine attempts are being made to address violations of this policy. The Multitone-Group reserves the right to audit compliance with this policy or appoint a third party to conduct an audit. Any violations will be reported to the supplier's management for their attention and if appropriate corrective action. Regardless of corrective action required, the Multitone-Group may terminate its relationship with any supplier who does not comply with the Ethical Sourcing Policy, without liability to the supplier for damages resulting from termination.

The provisions of this policy constitute minimum and not maximum standards and suppliers, together with their contracts. Those suppliers operating off-shore must as a minimum abide by all laws in that jurisdiction, together with the labour standards set out in this policy. The Multitone-Group reserves the right to apply additional standards on a case by case basis, having regards to existing principles already broadly accepted within the community (for example, additional ILO conventions)