

Commtech Ltd

LEGAL AFFAIRS AND COMPLIANCE POLICY

1. Managing Directors introduction

This policy on legal affairs and compliance is one of a series of governance policies which are implemented throughout the Company to ensure that Commtech employees behave responsibly and reflect the Company's values at all times.

The Board of Commtech Ltd has endorsed this policy and expects all Commtech employees to comply with it. The Commtech management are responsible for the detailed oversight of the operation of this policy and reports to the Board as and when appropriate matters arise and with an annual review.

2. Objectives

- Promote a culture of legal compliance.
- Establish accountability for adherence to the policy.
- Require prompt internal reporting of concerns about possible breaches of the policy.

3. Legal Affairs and Compliance Policy

Commtech policy is to comply with all applicable laws in each of the jurisdictions in which it operates.

Specific aspects of legal affairs in relation to which compliance programmes and detailed guidelines are in place include:

- Competition law – Commtech policy is to compete vigorously but honestly in accordance with laws governing commercial agreements and conduct.
- Bribery and corruption – Commtech policy is not to offer or receive improper payments or inducements whether directly or indirectly or through any agent or intermediary.
- Price sensitive information and dealings in Company shares – Commtech operates a code on share dealings and provides training and guidance on legal and regulatory obligations concerning inside information to all senior employees.
- Whistleblowing – Commtech policy is to take seriously whistleblowing reports that are received and to protect those who report concerns in good faith from penalty or retaliation as a result.
- Health, safety and environment – Commtech policy is to maintain healthy and safe working conditions and to operate in a responsible manner with regard to the environment.

Commtech policy in relation to legal affairs requires that management notify the Company board, without delay, at the outset of any potentiality significant legal matters. Matters which are significant include corporate transactions, major regulatory or litigation proceedings, significant product safety concerns and anything with strategic or reputational implications for the Company.

Operational management are expected to deal with day to day legal affairs at local level. This responsibility requires that they procure legal advice as appropriate to ensure legal risk is properly identified and managed in accordance with business risk management systems. The Company have available to them support and guidance to operations on the use and selection of external lawyers and where appropriate the approach to a particular matters.

4. Reporting of Breaches and Accountability

Any employee who becomes aware of any existing or potential breach of this policy is required to notify the Company Secretary promptly. If preferred, concerns about any existing

or potential breaches may be reported in accordance with the Company's whistleblowing policy.

In enforcing this policy, the Company will take or authorise such disciplinary action as it deems appropriate up to and including dismissal of the individual(s) responsible.

5. Enquiries

All enquiries in relation to this policy or its applicability to particular roles or situations should be addressed to an appropriate senior manager or the Company Secretary.

Signed by:

A handwritten signature in black ink, appearing to read 'S. Hawkins', with a horizontal line extending to the right.

S. Hawkins, Managing Director
on behalf of Commtech Ltd
Dated: 12 Oct 2007