



Rakon Group: Slavery and Human Trafficking Statement

Modern Slavery Act 2015 (UK)

Under the Modern Slavery Act 2015 (UK), companies that operate within the United Kingdom but have supply chains outside that country are required to have a Slavery and Human Trafficking Statement. Such Statements are intended to help improve labour standards in supply chains through increased transparency.

Rakon is committed to maintaining high labour standards in all companies within the Rakon Group, and to respecting the human rights of employees. It does not permit exploitative practices such as those the Act is intended to address. Rakon policies prohibiting exploitative practices are actively maintained and reinforced through the Group's management system.

About Rakon Group

Rakon Limited is a New Zealand-based company that designs and manufactures high technology frequency control solutions. Group subsidiaries are:ⁱ

Entity	Principal Activities	Country	Relationship
Rakon America LLC	Marketing support	USA	Subsidiary (100% interest)
Rakon Singapore (Pte) Limited	Marketing support	Singapore	Subsidiary (100% interest)
Rakon Financial Services Limited	Financing	New Zealand	Subsidiary (100% interest)
Rakon International Limited	Marketing support	New Zealand	Subsidiary (100% interest)
Rakon UK Holdings Limited	Holding company	United Kingdom	Subsidiary (100% interest)
Rakon UK Limited	Research and Development	United Kingdom	Subsidiary (100% interest)
Rakon France SAS	Manufacturing and Sales	France	Subsidiary (100% interest)
Rakon HK Limited	Holding company	Hong Kong	Subsidiary (50% interest)
Rakon (Mauritius) Limited	Holding company	Mauritius	Subsidiary (100% interest)
Rakon Investment HK Limited	Holding company	Hong Kong	Subsidiary (50% interest)
Rakon Crystal Electronic International Limited	Marketing support	China	Subsidiary (100% interest)

Joint venture partners and associated companies are:ⁱⁱ

Entity	Principal Activities	Country	Relationship
Centum Rakon India Private Limited	Products and services to frequency control products industry	India	Joint venture (49% interest)
Chengdu Shen - Timemaker Crystal Technology Co Limited	Products and services to frequency control products industry	China	Associate (40% interest)

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New Zealand (HQ) | China | France | Germany | India | Singapore | South Korea | Taiwan | United Kingdom | United States

Chengdu Timemaker Crystal Technology Co Limited	Products and services to frequency control products industry	China	Associate (40% interest)
Shenzhen Taixiang Wafer Co Limited	Products and services to frequency control products industry	China	Associate (40% interest)

Rakon Policy on Labour Standards

The Rakon Business Code of Conduct contains strong commitments to labour standards. These commitments are set out in Part E.

Standard E.1 (“*Freely Chosen Employment*”) deals directly with issues of slavery and trafficking provides that:

Forced, bonded or indentured labour; involuntary prison labour; slavery or trafficking of persons is not to be used. This includes transporting, harbouring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purposes of exploitation. All work must be voluntary, and employees should be free to leave work at any time or terminate their employment. Employees shall not be required to hand over government-issued identification, passports or work permits as a condition of employment, however employees will be required to show proof of eligibility to work in the applicable country.

Other standards go well above and beyond what is required under the Act. A full copy of the Code can be found at <http://www.rakon.com/corporate/about/sustainability>.

The Rakon Business Code of Conduct is a total supply chain initiative. Compliance with the Code is a mandatory requirement not only for all Rakon companies, but also for all Rakon suppliers.

Steps taken to Ensure Compliance

As Rakon’s Code sets a higher standard of conduct than is required under the Act, compliance with the Code will also result in compliance with the Act. Therefore it is not necessary for Rakon to have stand-alone processes for addressing slavery and human trafficking.

Relevant components of Rakon’s management systems are summarised in Part F of the Code, and are as follows:

1. Company commitments to social and environmental responsibility.
2. Identified representatives are responsible for implementation and review.
3. Processes for ensuring compliance with the requirements of applicable laws, of customers, and of the Code.
4. Commitments to integrity in customer and supplier relations.
5. Risk assessment, risk management and controls to ensure regulatory compliance and manage identified risks.
6. Performance objectives, targets and implementation plans, and periodic assessment of performance against those objectives.
7. Training for managers and employees.

8. Processes for communicating information about company performance, practices and expectations.
9. Ongoing processes for employee feedback and participation.
10. Periodic self-evaluations.
11. Processes for timely correction of any identified deficiencies.
12. Documentation and records to ensure compliance.

Declaration

I, Brent Robinson confirm that during the 2015-2016 financial year Rakon Group has required compliance with the Rakon Business Code of Conduct by its companies and its suppliers, and that it has taken the steps set out in the Code in order to ensure such compliance.

Brent Robinson

CEO / Managing Director

1st April 2016



ⁱ As at 31 March 2015

ⁱⁱ As at 31 March 2015