

**AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ACT 1989****Undertaking to the Australian Securities and Investments Commission
given for the purposes of section 93AA by
Plexus International Limited (ACN 064 551 426)****1 BACKGROUND**

- 1.1 Plexus International Limited (ACN 064 551 426) ("Plexus") is a public company listed on the Australian Stock Exchange ("ASX").
- 1.2 On 8 September 1999 Plexus lodged a prospectus ("the Prospectus") containing financial projections ("the Projections") for the year ended 30 June 2000 for anticipated revenue of \$15,114,000 and earnings after tax of (\$1,699,000)
- 1.3 On 13 September 2000, Plexus released its preliminary final report to the ASX showing revenue for the year ended 30 June 2000 of \$2,652,000 and an operating profit after tax of (\$3,944,000). On 28 September 2000, Plexus release its financial report for the year ended 30 June 2000 which showed total revenue of \$2,858,000 and operating profit after tax of (\$3,943,682).
- 1.4 On or about 26 May 2000, the directors were aware of information to the effect that the company would not be in position to meet its financial forecasts as described in the Prospectus.
- 1.5 Plexus made an announcement to the ASX on 26 May 2000. This announcement contained no information regarding the anticipated quantum of revenue or earnings for the financial year ended 30 June 2000 or how these may differ to the Projections.
- 1.6 During the period between 8 September 1999 and 13 September 2000, the company made no announcements to the market indicating an anticipated financial performance different from the Projections.
- 1.7 As a result of its investigations and the facts in paragraphs 1.2 to 1.6 above, ASIC is of the view that Plexus failed to comply with its continuous disclosure obligations pursuant to ASX Listing Rule 3.1 ("LR3.1") and under section 1001A of the Corporations Law ("the Law"). Specifically, ASIC is of the view Plexus was required by LR 3.1 and the Law to have disclosed to the ASX the fact that its financial performance for the year ended 30 June 2000 would be significantly worse than that set out in the Projections as soon as Plexus became aware of that fact.
- 1.8 As a result of its investigations ASIC has concerns that Plexus may not have appropriate corporate governance and compliance procedures and controls in place to ensure future compliance with its continuous disclosure obligations under the Law and the Listing Rules.

- 1.9 While Plexus does not agree with all aspects of ASIC's concerns as set out in this Undertaking it acknowledges ASIC's concerns and has agreed to put in place a number of compliance measures (including the specific requirements set out below) for the purposes of ensuring best practice in ongoing compliance with its continuous disclosure obligations.
- 1.10 Pursuant to section 1001A of the Law, ASIC may take enforcement action against Plexus in respect of an alleged breach of that provision. Among other remedies, if ASIC makes a determination that there has been a contravention of section 1001A of the Law, ASIC may make an order in accordance with section 713(6) of the Law.
- 1.11 Plexus has requested and ASIC has accepted the commitments in this enforceable undertaking as an alternative to the actions referred to in clause 1.10.

2 UNDERTAKINGS

- 2.1 Plexus undertakes to ASIC that within 30 days of this Enforceable Undertaking it will:
- (a) review its corporate governance practices;
 - (b) provide to ASIC a written set of Corporate Governance Practices in accordance with ASX Listing Rule 4.10, including but are not limited to those matters identified in clause 2.2; and
 - (c) provide ASIC with a statutory declaration by an officer of Plexus declaring that the Plexus Corporate Governance Procedures have been adopted by unanimous resolution of directors of Plexus and that in establishing the Corporate Governance Procedures the company has considered the ASX Guidance Note on Corporate Practices issued in September 1999.
- 2.2 Plexus undertakes that its Corporate Governance Practices will as a minimum provide for:
- (a) monthly meetings of the directors of Plexus;
 - (b) preparation of monthly accounts complying with section 286 of the Law as it stands at the date of this undertaking no more than 21 days after the end of the month to which they relate;
 - (c) the directors of Plexus to review the accounts referred to in (b) at the meeting immediately following their preparation;
 - (d) consideration by directors at each directors meeting of Plexus's compliance with its continuous disclosure obligations and disclosure decisions taken in the previous month; and

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- (e) annual review of the Corporate Governance Practices by the external auditors of the company to ensure that at all times they represent industry best practice for a company like Plexus.
- 2.3 Plexus undertakes to provide to ASIC within 30 days of the date of the undertaking a written set of procedures for:
- (a) preventing, and where necessary identifying and responding to, breaches of LR 3.1 and section 1001A of the Law; and
 - (b) promoting a culture of compliance with LR 3.1 and section 1001A within Plexus.
- ("Plexus Compliance Procedures").
- 2.4 Plexus undertakes that the Plexus Compliance Procedures will be, as far as is reasonable, be in accordance with AS3806-1998, the Australian Standard for Compliance Programs and will at least contain the following matters:
- (a) a clear identification of the company's disclosure obligations and the consequences to the company and its officers if the company fails to comply with them;
 - (b) a requirement to appoint a company officer or officers who are primarily responsible for ensuring the company complies with LR 3.1 ("Responsible Officer");
 - (c) a requirement to establish procedures to ensure that the Responsible Officer is made aware of all information a reasonable person would expect to have a material effect on the price or value of the company's securities immediately after that information comes into existence;
 - (d) a requirement to identify "areas of risk" for which specific compliance procedures must be in place, for example, disclosure of events which require the consent or comment of a third party, and detail those procedures;
 - (e) the decision making process for determining whether LR 3.1 requires the company to disclose information brought to the attention of the Responsible Officer;
 - (f) guidelines for determining what information must be disclosed in compliance with LR 3.1 including a non-exhaustive list of examples of information to be disclosed (for example, information possibly material to the company's prospects, earnings, assets or liabilities or to the price of any of the company's securities) - the guidelines should incorporate any provisions in the ASX Listing Rules designed to allow a company to withhold information;
 - (g) record keeping procedures to record the process for review of specific information and the decision whether or not to disclose that information;
 - (h) procedures to ensure that all officers and other employees or agents, who may from time to time be in the possession of undisclosed information that maybe material to the company's prospects, earnings, assets or

liabilities or to the price or value of the company's securities, understand the continuous disclosure obligations on the company imposed by the Law and ASX Listing Rules and have those obligations drawn to their attention on a periodic basis;

- (i) procedures for the orientation of new directors and senior staff to ensure their awareness of the Plexus Compliance Procedures;
- (j) procedures to ensure that undisclosed information that a reasonable person would expect to have a material effect on the price or value of the company's securities remains confidential until it is disclosed by the company;
- (k) routine controls to internally monitor and review compliance with LR 3.1;
- (l) procedures for ensuring that the company's compliance procedures are updated from time to time to reflect changes in the company's business operations and changes in the law and the ASX Listing Rules;
- (m) initiatives which ensure a culture of compliance within Plexus;
- (n) a requirement that the company's audit committee and external auditors annually audit the company's adherence to the compliance procedures and pass an opinion on whether the procedures continue to be appropriate for the company.

2.5 Plexus further undertakes that within 30 days of the date of this undertaking it will provide ASIC with:

- (a) a statutory declaration by an officer of Plexus declaring that the Plexus Compliance Procedures have been adopted by unanimous resolution of directors of Plexus;
- (b) audit certificate by a person with not less than 10 years experience in the corporate finance industry in the form of that set out in Schedule 1 to this undertaking.

2.6 Plexus undertakes that it will not issue a prospectus pursuant to section 713 of the Law until it has complied with 2.1 to 2.5 above.

3. ACKNOWLEDGEMENTS

3.1 Plexus acknowledges that ASIC:

- (a) may from time to time publicly refer to this undertaking;
- (b) may issue a media release on execution of this undertaking referring to its terms and the concerns of ASIC which led to its execution; and
- (c) will place a copy of the executed undertaking on a Public Register.

3.2 Plexus acknowledges that ASIC's acceptance of this undertaking does not affect ASIC's power to investigate a contravention arising from future conduct, or

- pursue a criminal prosecution or its power to lay charges or seek a pecuniary civil order.
- 3.3 Plexus acknowledges that ASIC's acceptance of this undertaking will in no way inhibit ASIC from taking action as outlined in Clause 1.10 as a result of concerns in the background.
 - 3.4 Plexus acknowledges that this undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this undertaking.
 - 3.5 Plexus acknowledges that this undertaking has no operative force until accepted by ASIC.
 - 3.6 Plexus and ASIC each acknowledge that the terms of this undertaking can be varied only with the prior written consent of each party to the undertaking by its duly authorised representative.

Executed on the 30th day of March 2001

The common seal of Plexus

Was duly affixed to this undertaking on 3/3/01

in the presence of ELIZABETH CARNEY.

Elarney

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Director / Secretary



Director

Accepted by the Australian Securities and Investments Commission pursuant to the ASIC Act section 93AA by its duly authorised delegate

Howell
4/4/01

Stephen J. Howell

Director Enforcement

Delegate of the Australian Securities and Investments Commission

Schedule 1

CERTIFICATE OF COMPLIANCE

1. I am a person of not less than 10 years experience in the corporate finance industry.
2. I have reviewed the compliance procedures developed by the directors of Plexus, a copy of which is attached to this certificate.
3. From my review of the Plexus Compliance Procedures, I hereby certify to the Australian Securities and Investments Commission that the Plexus Compliance Procedures:
 - (a) comply with the Enforceable Undertaking dated _____ ;
 - (b) represent industry best practice for a company of the kind as Plexus for a continuous disclosure compliance procedure; and
 - (c) meet the requirements of AS3806-1998 to an extent that is reasonable for a company of the kind as Plexus.
4. Plexus has put into effect the Plexus Compliance Procedures.

Signature

Date

Name (please print)

Firm Name