



Corruption and Bribery

To whom it may concern,

Smiths News PLC and its subsidiary undertakings are each committed to conducting business professionally, fairly and with honesty and integrity. As a result, we expect our colleagues, our customers and our suppliers to maintain high ethical standards in this regard and, in doing so, to achieve compliance with bribery and corruption laws.

As has been well publicised recently, most countries (including the United Kingdom, through the adoption of the UK Bribery Act on 1 July 2011) have laws which make it illegal to engage in bribery, fraud and corruption. Furthermore, an increasing number of countries criminalise and prosecute acts of bribery which take place beyond their borders. The penalties for violating these laws are severe for the individuals and companies concerned, so it is essential that no one trading with our Group in any manner whatsoever offers, promises, gives, accepts or receives a bribe or seeks to bribe a foreign public official.

The Group takes a zero tolerance approach to fraud and bribery and, as such, this memorandum does not in principle change anything that we already do in this area. We have, however, reviewed our policies and procedures in this area to ensure that we fully comply with such laws and, of course, our trading arrangement with you is no exception.

Specifically, we expect each stakeholder in its interactions with us not to:

- give or offer any payment, gift, hospitality or other benefit in the expectation that a business advantage will be received in return, or to reward any business received;
- accept any offer that might be construed as a bribe and that you know or suspect is made with the expectation that will provide a business advantage to you;
- facilitate or seek to evade tax.

Gifts, prizes, incentives/rewards which may be used in the business environment and do not exceed the value of £10 may be accepted on the terms received, and sit outside of this policy.

Please note that, therefore, we will consider failure by each such stakeholder to comply with these obligations as a material breach of the terms of our engagement with you (e.g. trading or service agreement) and would consequently terminate such arrangement immediately. In view of this, we invite each such stakeholder to further communicate our policy regarding bribery and corruption as appropriate and to ensure your co-operation for full compliance with our respective legal obligations.

If anything is unclear please email cosec@smithsnews.co.uk.

Yours faithfully

Stuart Marriner
Company Secretary & General Counsel