

INTEGRITY

HAS NO DETOURS

THE ETHICAL WAY IS ALWAYS THE RIGHT WAY.



Independent News & Media PLC

Code of Conduct

A MESSAGE FROM OUR CEO



INM firmly believes in combining 'good business with good ethics'. It is a principle which extends across all our markets and underpins how we meet our corporate, social and environmental responsibilities. Ethical failures erode the very integrity of our business. As employees of INM we should always be mindful of the responsibilities that we have to each other and to our stakeholders. We should never place ourselves in an unethical situation which could compromise these responsibilities.

The code set out in the following pages details the values and behaviours that we expect of our employees. It offers guidance on key ethical areas which one may encounter in our day to day business dealings. It is not meant to be an exhaustive list and is no substitute for common sense. Please take the time to review this code and consider its contents.

Ethical dilemmas can often be complex. If in doubt or if you need further clarification talk to your manager. If you do become aware of unethical behaviour I strongly encourage you to report it through one of the channels outlined in the section on obtaining advice and raising concerns. No employee will be penalised or retaliated against for raising a concern in good faith.

Over the past 100 years INM has worked hard to build its reputation. Today it represents our most valuable asset and is something which we are very proud of. Unfortunately it can easily be tarnished by the misguided actions of a few individuals. We are all custodians of this reputation and as such we have a responsibility to act with the highest level of integrity at all times to ensure INM's good name is protected.

Thank you

A handwritten signature in black ink, appearing to read 'Gavin O'Reilly'. The signature is stylized and fluid, with a long horizontal line extending to the left and another extending to the right.

Gavin O'Reilly (Chief Executive Officer)

TABLE OF CONTENTS



| | |
|--|--|
| A MESSAGE FROM OUR CEOi | |
| INTRODUCTION1 | |
| OUR RESPONSIBILITIES2 | |
| Commitment to our employees.....3 | |
| Commitment to our customers.....3 | |
| Commitment to the market place.....3 | |
| Commitment to our shareholders.....3 | |
| Commitment to our community.....3 | |
| OUR COMMITMENTS IN ACTION4 | |
| Commitment to our employees.....5 | |
| Discrimination and Harassment.....5 | |
| Personal Information.....5 | |
| Health and Safety.....6 | |
| Commitment to our customers.....7 | |
| Editorial principles.....7 | |
| Confidentiality.....7 | |
| Marketing and promotion.....7 | |
| Commitment to the marketplace.....8 | |
| Competitive information.....8 | |
| Colluding with competitors.....8 | |
| Communications.....8 | |
| Commitment to our shareholders.....9 | |
| Company assets.....9 | |
| Accurate and complete records.....10 | |
| Confidential information.....11 | |
| Insider trading.....11 | |
| Conflicts of interest.....12 | |
| Records management.....12 | |
| Co-operating with Auditors.....12 | |
| Commitment to our community.....13 | |
| The Law.....13 | |
| Social responsibility and Environment.....13 | |
| Bribery and corruption.....15 | |
| Political activities and contributions.....15 | |
| OBTAINING ADVICE AND RAISING CONCERNS ...16 | |
| Raising a concern.....17 | |
| INM ethics helpline.....17 | |
| MAKING ETHICAL DECISIONS18 | |
| LOCAL CONTACTS20 | |
| Contact information.....21 | |

INTRODUCTION

INM is committed to maintaining the highest standards of ethical behaviour. Business operations within INM are often complex and good ethical behaviour does not boil down to a series of "dos" and "don'ts." Even the appearance of improper behaviour can have serious repercussions on INM's reputation. This code outlines some of the key principles underpinning ethical behaviour in INM. It applies to all employees (which for the purpose of this code includes agents, contractors, consultants, board members and any other parties representing/performing services on behalf of the INM Group). The Group is defined as those companies in Ireland, UK and South Africa where INM directly or indirectly controls more than 50% of the equity. Companies where INM owns 50% or less of the equity are encouraged to adopt similar principles.

You should familiarise yourself with this code and apply the principles in your day to day business dealings in INM. Managers have an additional responsibility to promote the code. They should lead by example and ensure that employees under their supervision are aware of our ethical values. Managers should be supportive of those individuals who raise questions in this area or have ethical concerns.

The code is by no means exhaustive and serves to act as a guide in this area. Ultimately the ethical culture of INM depends on the moral standards of its employees, their ability to exercise good judgement and their willingness to flag ethical concerns when they arise.

This code may be amended from time to time and any revised version of the code will be published on the Group's web site.



OUR RESPONSIBILITIES



WE ARE COMMITTED TO ACTING IN THE BEST INTERESTS OF OUR STAKEHOLDERS WHICH INCLUDES:

COMMITMENT TO OUR EMPLOYEES

INM's growth as a leading international newspaper and communications group has been underpinned by the dedication and commitment of its employees. We recognise that they are central to our organisation. We embrace diversity, seek to reward performance and are actively committed to promoting the well being of our employees.

COMMITMENT TO OUR CUSTOMERS

The core philosophy of our business continues to be meeting our customers' needs. From its local Irish newspaper origins, the INM Group has expanded across the globe to encompass a multi-ethnic, geographically and culturally diverse audience. While our product offering has expanded to include printing, distribution, wholesaling and education our commitment to offering the highest level of quality and service to our customers remains steadfast.

COMMITMENT TO THE MARKET PLACE

We aim to compete vigorously but fairly in the market place and in a manner that complies with all relevant laws and regulations.

COMMITMENT TO OUR SHAREHOLDERS

In INM we are guided by our duty to act in the best interests of INM and our shareholders. By promoting long-term stable growth the business aims to build enduring shareholder value. We recognise that our relationship with our shareholders is built on trust and transparency. We are committed to maintaining the highest standards of corporate governance and ensuring the correct mix of experience at Board level, for the optimum strategic and operational governance of the INM Group.

COMMITMENT TO OUR COMMUNITY

From the outset the INM Group has always been acutely aware that no organisation can survive, let alone flourish, in a vacuum, without reaching beyond itself to make a deeper contribution to the well being of society. This commitment is at the heart of the INM Group's ethos and underpins how we conduct our business, mindful of our corporate, social and environmental responsibilities to sustainable development.



OUR COMMITMENTS IN ACTION



COMMITMENT TO OUR EMPLOYEES

DISCRIMINATION AND HARASSMENT

We recognise that our employees are one of our greatest assets. They are the face of our business and, combined with our market-leading brands, are the point of recognition for our many millions of consumers.

Our human resource policies reflect the central role that our employees play in our organisation. These policies focus on ensuring equal opportunities for all and promote diversity through our workforce to the greatest possible extent. We aim to positively engage with employees in a way that will assist them to achieve their maximum potential.

Individuals within INM have the right to work in an environment which is free from discrimination and harassment. Employees should be treated with respect and dignity at all times. All of our employees are recruited and promoted on the basis of suitability for the job.

Discrimination/harassment on grounds such as age, race, religion, gender, sexual orientation, marital or family status, disability or, in Ireland, membership of the traveller community is unacceptable and employees who are found to be in breach of this principle may be subject to disciplinary action.

Both managers and employees in INM are responsible for creating and maintaining a workplace free from discrimination and harassment.

In South Africa INM embraces the principles of Broad Based Black Economic Empowerment (BBBEE) which aims to promote the transformation, growth and development of South Africa's economy and its people. As part of its ongoing commitment to BBBEE, the business promotes equal opportunity, fair treatment and professional development of its employees.

If you are subject to harassment or feel discriminated against, please speak up by using one of the resources listed in the section on "obtaining advice and raising concerns". INM does not tolerate retaliation against any employee who reports a concern in good faith, even if that allegation is found to be unsubstantiated.

PERSONAL INFORMATION

The business is mindful of the fact that it holds confidential and sensitive data relating to its employees. Appropriate measures should be in place to ensure that such information is protected and never used for improper means. Personal information should always be managed in accordance with our employment policies, relevant data privacy and protection laws and best practice.



COMMITMENT TO OUR EMPLOYEES

HEALTH AND SAFETY

We are committed to safeguarding the health and safety of those people who work in or visit our organisation by providing appropriate training and professional expertise where required. In addition, each of us has an individual responsibility to ensure that health and safety is never compromised. To maintain a safe working environment employees are expected to:

- Comply with all applicable local legislation in this area;
- Follow guidelines issued by the business with regard to health and safety;
- Understand the hazards associated with their job and workplace and ensure that they are being adequately managed;
- Ensure that employees and contractors work in a safe manner and use appropriate health and safety equipment as required;
- Never work while under the influence of alcohol, illegal drugs or misused prescription drugs;
- Raise any health and safety concerns that they become aware of even if it is not within their area of responsibility; and
- Report accidents, near misses, breaches of health and safety as soon as possible.

Scenario: Health and Safety

Q *Jack who works on the printing press notices that one of the machine sensors is not working properly. This sensor is important as it acts as a machine guard and helps minimise the risk of an accident. Fixing the sensor would mean temporarily halting publication. Jack decides to ignore it for the moment and raise the matter with his supervisor at a later date. Is Jack right to take this approach?*

A *Jack should report this matter immediately to his supervisor. The sensor is an important control in safeguarding the safety of employees working on the print run. INM is committed to ensuring that all of its employees work in a safe environment.*

COMMITMENT TO OUR CUSTOMERS

EDITORIAL PRINCIPLES

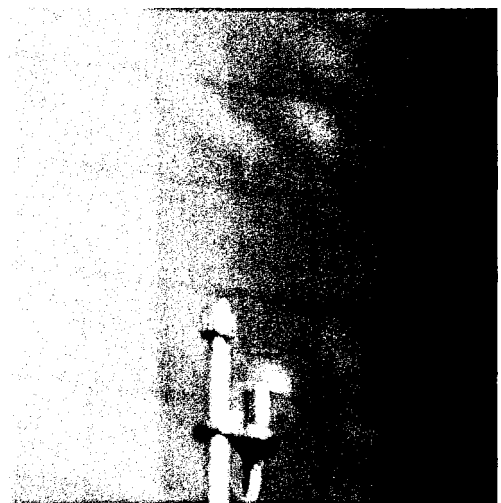
A newspaper's greatest assets are its integrity and credibility. INM requires its editors and editorial staff to be professional, courageous and aggressive in pursuit of truth in the news. It is also committed to independence, fairness and balance in informing people of events and issues which they have a right to know. This right is balanced by compliance with the laws of defamation and privacy and adherence to the principles of taste, balance and accuracy. INM titles will not promote or encourage illegal activities or violence to achieve or further political objectives or foment violent activities aimed at undermining the lawful institutions of the country. These principles apply equally to content disseminated via the web, mobile and other electronic devices.

CONFIDENTIALITY

As part of our business relationship with our customers we are entrusted with personal and sensitive data. Subject to any legal requirement to disclose information, we are committed to ensuring that such information is safeguarded at all times, is never shared with unauthorised parties and is maintained in accordance with relevant data privacy and protection laws as well as best practice. Employees are expected to be mindful of their responsibilities in this area and should ensure that the usage, storage and transfer of such information is managed effectively and securely and in accordance with this code and any policies that may apply from time to time.

MARKETING AND PROMOTION

We should ensure that all sales and promotion practices are truthful, balanced and do not mislead our customers. Any competitions should be conducted in a manner which is open, honest and legal.



COMMITMENT TO THE MARKETPLACE

COMPETITIVE INFORMATION

We should ensure that any information we obtain regarding competitors activities is ethical and in compliance with local laws and regulations. We should never use improper means to obtain unauthorized or confidential information about our competitors. This can include deception, obtaining information from current or former employees of competitors, relying on personal or professional relationships or offering inducements to gather information on a competitor which is not in the public arena and which would be considered sensitive.

COLLUDING WITH COMPETITORS

We should never enter into an arrangement with competitors, formal or informal, with the intent or effect of limiting competition. Such an arrangement could include setting prices, fixing terms and conditions, limiting production, dividing up markets or boycotting customers and/or suppliers. Given that INM engages

with its competitors as part of its service offering, we should be highly vigilant that any dealings with competitors do not contravene local competition laws. Violating these laws can have severe implications for both our organisation and individuals involved. Given the complexities in this area you are encouraged to raise any concerns you may have on this area with your manager.

COMMUNICATIONS

As a business we need to ensure that information disseminated to the public is accurate, consistent, timely and in compliance with local laws and regulations. To protect our company's reputation it is important that external communications are handled by designated spokespeople for the INM Group. We should not make any representations on the INM Group's behalf unless it is part of our job responsibility or where instructed to do so by our manager. If any employee has any doubts regarding communication of information to external stakeholders they should consult with their manager.

Scenario: Competitive information

Q *John is good friends with Mark who is contracting for a competitor of INM. Over dinner Mark starts discussing a new product which his company is launching. The details on the new product are highly confidential. He offers to email John the relevant details as he thinks it might be of interest to INM. How should John deal with this?*

A *John should not be discussing this matter with Mark as this information is confidential and highly sensitive. John should ask his friend to refrain from sending him any emails on this matter. INM has a policy that any information relating to competitors must be obtained in a legal and ethical manner.*

COMMITMENT TO OUR SHAREHOLDERS

COMPANY ASSETS

Company assets such as cash, inventory, computers, telephony, IT hardware and company vehicles are an essential element of INM operations. We should ensure that these company assets are used appropriately and for purposes intended. Proper measures should be in place to protect them from loss, theft, damage and misuse.

Electronic communication systems within INM should be used sensibly. It is unacceptable to use INM systems to send unauthorized communications or conduct business for another organization. Under no circumstance should we use INM systems to view or download content that is illegal harassing or insensitive. Employees should have regard to any applicable local laws and company policies on email and internet use.

When using these systems, your rights to privacy are limited. Usage of INM's information systems may be subject to monitoring to protect our business, reputation and equipment from misuse.

Intellectual property such as trademarks, content, copyrights, domain names, trade secrets and other assets provide INM with a competitive advantage over its competitors. We should take all reasonable steps to ensure that INM's intellectual property is protected. We should also respect the intellectual property of others and ensure it is not infringed.



COMMITMENT TO OUR SHAREHOLDERS

ACCURATE AND COMPLETE RECORDS

A wide range of stakeholders including investors, banks, tax authorities, customers and suppliers rely on the integrity of our disclosures and business records. Incomplete or inaccurate information impacts on our credibility and reputation. Falsifying or misrepresenting information can constitute fraud.

Employees within INM must ensure that records maintained are accurate, timely and complete. Inflating key metrics such as sales or circulation, shifting results between reporting periods or maintaining off balance

sheet accounts is never acceptable and can result in investigations, fines, legal actions and significant damage to reputation (as well as disciplinary action for the relevant employee). If you suspect a potential problem in this area you are encouraged to raise your concern through the relevant channels outlined in the section "Raising a concern"

Within INM there is a policy of no retaliation. This means that INM will not penalise or tolerate retaliation against any employee who reports a concern in good faith, even if that allegation is found to be unsubstantiated.

Scenario: Accurate and complete records

Q *Mervin works in the accounting department and is responsible for booking revenue relating to circulation sales. The information for these accounting entries comes from the circulation department. In June, Mervin notices that information received from the circulation department in relation to this month's sales is unusual and does not fit in with recent trends. He queries the information with the circulation manager, Monique. Monique is unable to provide adequate support behind the figures but asks Mervin to record the revenue as instructed. Despite his reservations Mervin books the accounting entry. Is he right in recording the entry to the financial statements?*

A *No. If Mervin has suspicions over the validity of key figures driving the financial results he should refrain from booking these figures until such time as he is satisfied with their accuracy. If Mervin, after discussing these results with the circulation department, is still not confident with their validity he should raise the matter with his manager. The ability of INM to maintain high ethical standards depends largely on the willingness of employees to question and report on potential breaches of the code.*

COMMITMENT TO OUR SHAREHOLDERS

CONFIDENTIAL INFORMATION

Confidential information is information which is not available to the public and can take many forms such as strategic plans, intellectual property, financial information, contractual arrangements with suppliers and business partners and subscriber details. We must take reasonable steps to ensure that confidential information is adequately safeguarded. Such information should never be used for purposes other than legitimately carrying out one's job (and then, only for the purpose for which the information was received) and should only be shared with internal and external parties who have been authorised to receive such information. In safeguarding confidential information we should:

- Ensure that information held is accurate and current;
- Take reasonable steps to secure confidential information;
- Communicate information only to those who are authorised to receive it;
- Be mindful of discussing sensitive information in public; and
- Ensure that information is held in accordance with data privacy and protection laws and any special requirements that may apply to the relevant information (e.g. where the information is subject to restrictions under a non-disclosure or confidentiality agreement)

INSIDER TRADING

Inside information relates to non public information which would be likely to significantly influence an investor's decision to buy, sell or hold securities in that company or to affect the price generally of securities or related securities in that company. The use or disclosure of inside information to make investment decisions is illegal in many countries. Examples of inside information can include financial results, new products, changes in the Board and acquisitions and divestures (or any plans or information with respect thereto).

As part of our work, we may become aware of inside information relating to INM or companies that it does business with. We should never use such inside information or share it with others for the purpose of making an investment decision until such information has become public (even after an employee or agent no longer works with INM or the INM Group).

Employees are prohibited from spreading false or misleading information about the company or engaging in activities designed to manipulate the price of securities in INM. Breach of this principle may result in disciplinary action. The above applies to INM or any its subsidiaries or investments that the inside information pertains to.



COMMITMENT TO OUR SHAREHOLDERS

CONFLICTS OF INTEREST

A conflict of interest may occur when our personal interests interfere, or appear to interfere, with our ability to perform our jobs effectively and without bias. We are expected to act in the best interests of the INM Group as well as, in the case of directors, in accordance with fiduciary duties owed to those companies on which a director sits on the board. Business decisions should not be affected by our personal interests that could arise as a result of financial interests in suppliers, competitors or customers. We should not work simultaneously for a competitor, customer or supplier without obtaining the necessary authorisation from our manager.

In order to avoid potential conflicts of interest we should be mindful of any business arrangements where family members or close personal relationships may be involved. These relationships can include but are not limited to relatives, spouses, partners, in-laws and individuals living at your address. We must not put ourselves in a situation where such relationships could interfere with our ability to make objective decisions. Any arrangements where you have a direct/indirect reporting line with any of the above parties should be communicated to your manager.

Even the appearance of a conflict of interest may lead to reputational damage. If you have a potential conflict of interest or need clarification on this matter consult your manager for advice. Alternatively refer to the section "Raising a concern" for other channels through which you can raise concerns.

RECORDS MANAGEMENT

Good records management is important for effective and efficient operations as well as protecting important and sensitive information. Records can take many forms including written, printed, and recorded materials, as well as electronic records (i.e., emails and documents saved electronically). Records should be managed in accordance with business, legal, financial and regulatory requirements and with any INM specific records management policies applicable from time to time.

Where records contain information relating to a current or anticipated legal or regulatory action they should be preserved even if they would normally be destroyed.

Records should not be held for longer than expected. When destroying records we should exercise care. Paper documents should be shredded or rendered unreadable. Electronic records should be erased.

If you have any questions on the area of records management please consult your manager.

CO-OPERATING WITH AUDITORS

During the course of its business INM is subject to internal and external audits. These include financial reporting, ABC circulation and tax audits. We are expected to fully co-operate with auditors. Falsifying business records, withholding information, making misleading statements or otherwise interfering with an audit is a violation of the code and may lead to disciplinary action.

COMMITMENT TO OUR COMMUNITY

SOCIAL RESPONSIBILITY AND ENVIRONMENT (CONTINUED)

INM recognises its responsibility in safeguarding its environment for future generations to enjoy. This is achieved by:

- complying at a minimum with all relevant legislation;
- researching and applying best practices in environmental issues facing its sector;
- evaluating and managing the environmental impact of current and potential future operations;
- conserving natural resources, including energy, raw materials and water; and
- implementing effective and responsible waste management and recycling procedures.

All employees within INM are encouraged to foster a spirit of social responsibility and support relevant environmental efforts undertaken by the INM Group.



COMMITMENT TO OUR COMMUNITY

BRIBERY AND CORRUPTION

In order to protect our reputation and comply with local laws, we should never offer or take a bribe or act in any way that could be considered to be or to induce corruption. Bribes are anything of value including money, gifts, loans, favours, advantages, benefits in kind or entertainment that may influence a business or related decision or appear to do so. This is regardless of whether it is the norm within the country or industry that we are operating in. It applies to our dealings with government and public officials, customers, suppliers, auditors, unions, financial institutions and any other relevant stakeholders.

Small token gifts are acceptable when it is part of business customary practice but they should never be deemed to create an obligation. Cash or cash equivalents such as stocks and bonds no matter how small should not be accepted or offered to avoid the appearance of bribery.

Agents, consultants and/or intermediaries used by INM to assist in promoting business interests should

never be used as a channel for improper payments. When engaging the services of such parties we should ensure that they are fully aware of and understand INM's policy in this area.

You can get further advice and support on this area from your line manager and by consulting INM's bribery and corruption policy.

POLITICAL ACTIVITIES AND CONTRIBUTIONS

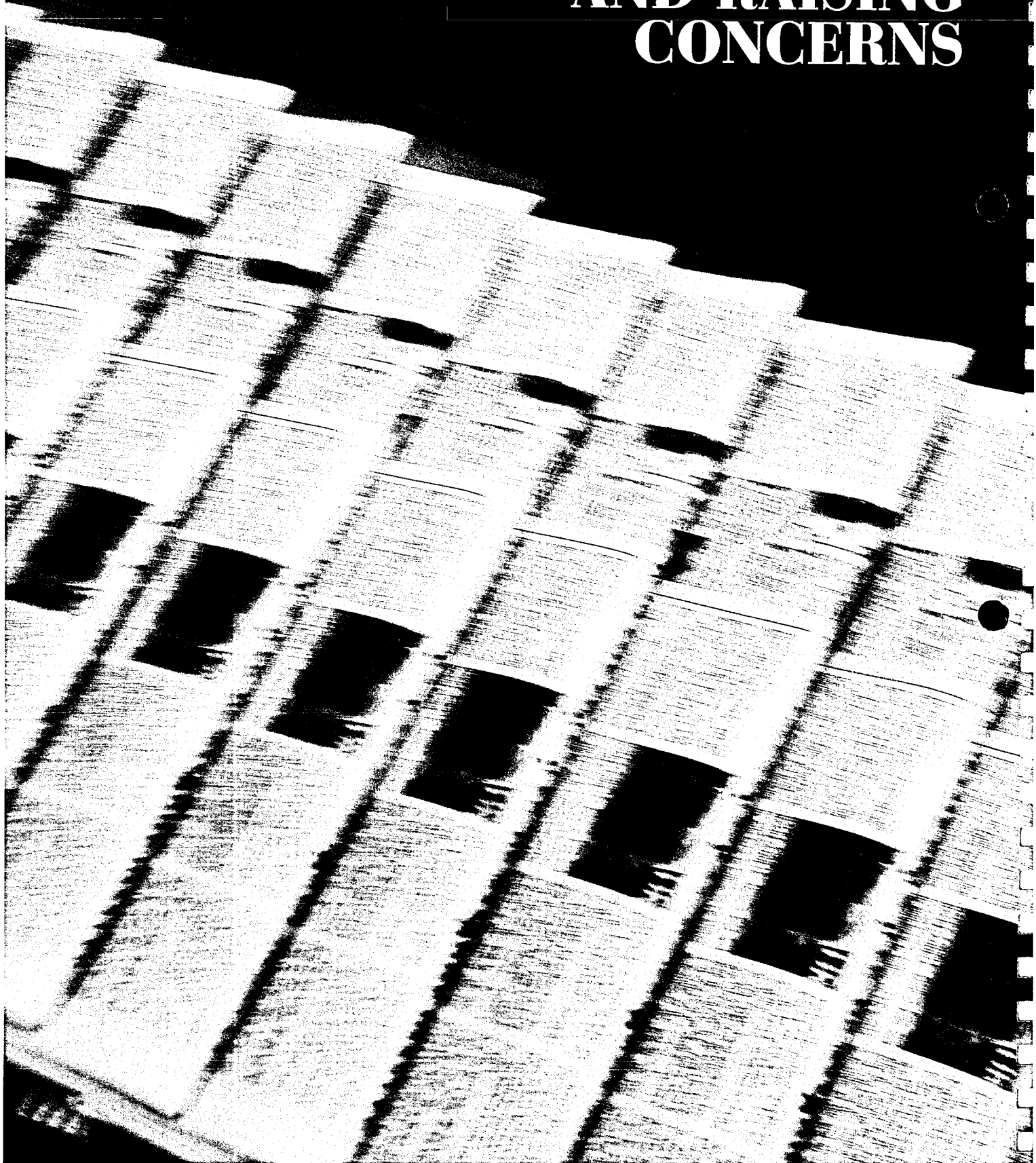
The business has a policy of generally not supporting political candidates or parties. Where an INM business believes that it is in the interest of the Group to support a political candidate or party, prior approval should be obtained in writing from the Group COO and the Group CFO. Support can relate to direct financial aid but can also include providing benefits in kind or sponsorship. We do recognise the right of our employees to participate in legitimate political activities. These should be kept separate from INM activities. We should not use company assets or resources to support our private political interests.

Scenario: Bribery and corruption

Q *Nicole has recently come under pressure to meet her performance targets. She is meeting with a senior government official whose department is an important customer of INM. In recent times the government official has been threatening to withdraw its business on account of budget cuts. During the course of the meeting the government official offers to maintain his current business spend with INM on the basis that a payment is made to him in respect of consultancy services provided. What should Nicole do?*

A *Nicole should never agree to such a payment. It has all the appearances of being a bribe and could have serious repercussions including investigations, fines and even prison sentences for INM and those individuals involved. Any such requests should be reported to her manager for further review.*

OBTAINING ADVICE AND RAISING CONCERNS



RAISING A CONCERN

At times we may have questions or require guidance on certain aspects of the code. It may be as simple as confirming that the current approach being adopted is the correct one. Alternatively we may be aware that the code is being violated and would like to speak to someone about it. The best place to start is by talking to our manager or supervisor. If you feel uncomfortable doing this then there are a number of other channels for raising concerns. These include:

- Local management team
- HR
- Internal Audit
- Group Chief Operating Officer
- Group Company Secretary
- Group Executive Directors

Within INM there is a policy of no retaliation. This means that INM will not penalise, or tolerate retaliation against any employee who reports a concern in good faith, even if that allegation is found to be unsubstantiated.

While INM openly encourages its employees to raise concerns, any allegation that is made maliciously is considered to be a serious offence and may result in disciplinary action.

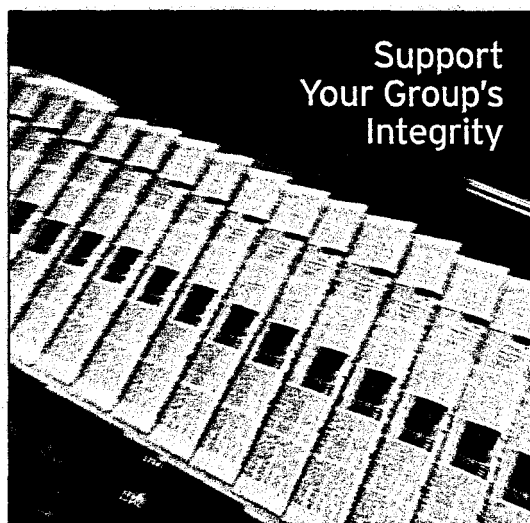
If you feel that you have been in violation of the code, you are urged to raise this matter immediately through one of the above channels. Admission of code violations will be looked on favourably, however the consequences of such violations will ultimately depend on the nature of the activity involved.

INM ETHICS HELPLINE

There may be instances where we do not feel comfortable raising a concern internally. In such cases we should use the "INM ethics helpline". This is a telephone and web based reporting tool through which we can raise concerns relating to financial reporting, bribery and corruption. It is managed by an external organisation called Global Compliance that is independent of INM. All calls are free, translation services are available and employees can call 24 hours a day, seven days a week to discuss concerns they may have.

When a concern is raised through this channel a report is sent to Internal Audit and the INM Group company secretary who will investigate the issue. A pin number is provided to the individual raising the concern allowing him/her to get an update or provide more information at a further date.

When raising concerns through this channel you are urged to provide as much information as possible so that the concern can be thoroughly investigated. Employees are encouraged to disclose their name and are assured that all calls are treated discretely and effectively. If you do not feel comfortable doing this you may raise a concern anonymously.




Support Your Group's Integrity

INM firmly believes in combining good business with good ethics. We need you to support our values by exercising good judgement and flagging ethical concerns when they arise.

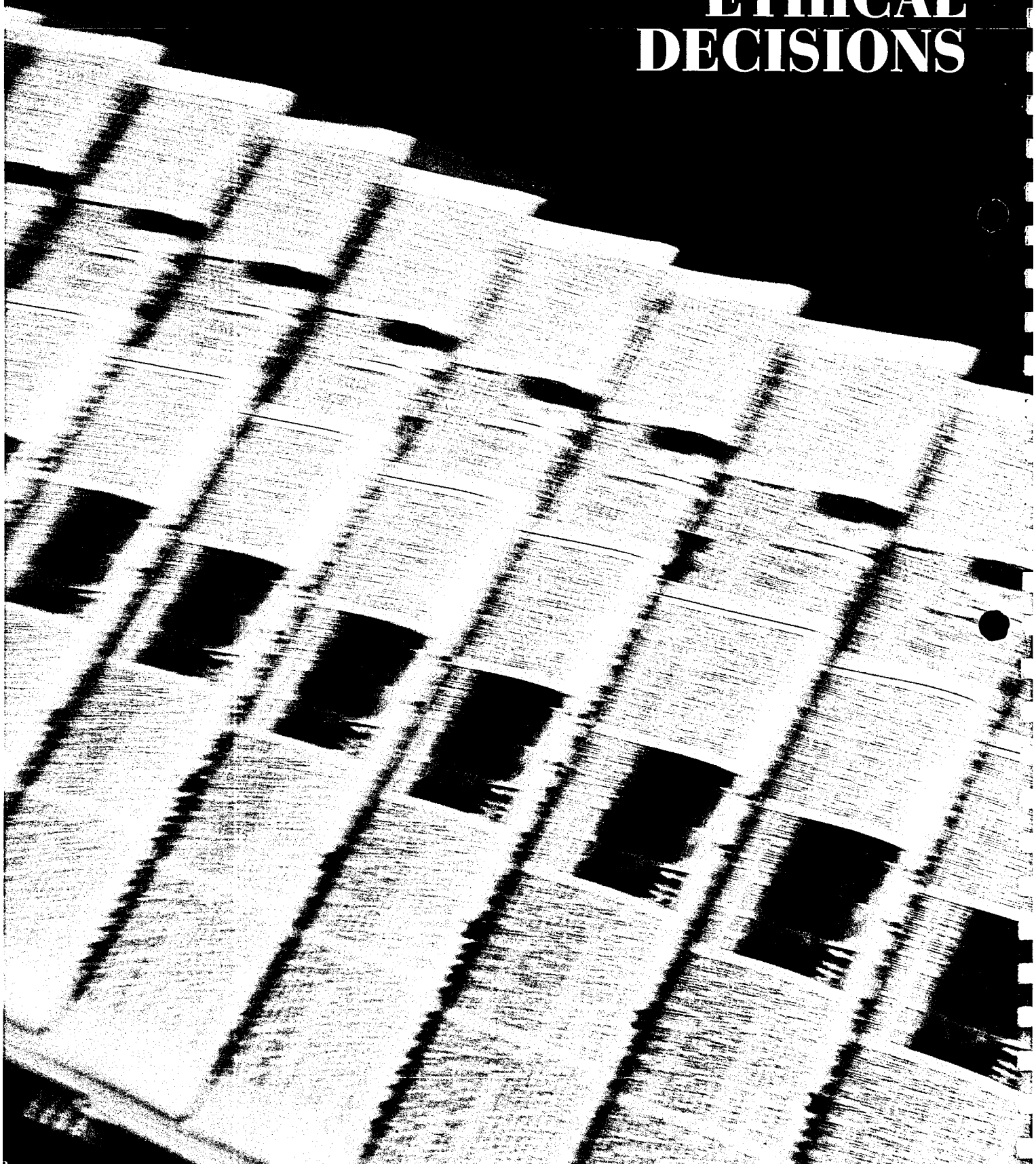
If you know of, or suspect any violations of our Group's values such as fraud, theft or bribery you can report your concern or get more information by logging on to INM ethics helpline.

Managed by an external company, independent from INM, the helpline is confidential, easy to use and always available.

www.inmeurope.alertline.com
 Or call: Republic of Ireland 1-800-559-031
 United Kingdom 0808-234-1241



MAKING ETHICAL DECISIONS

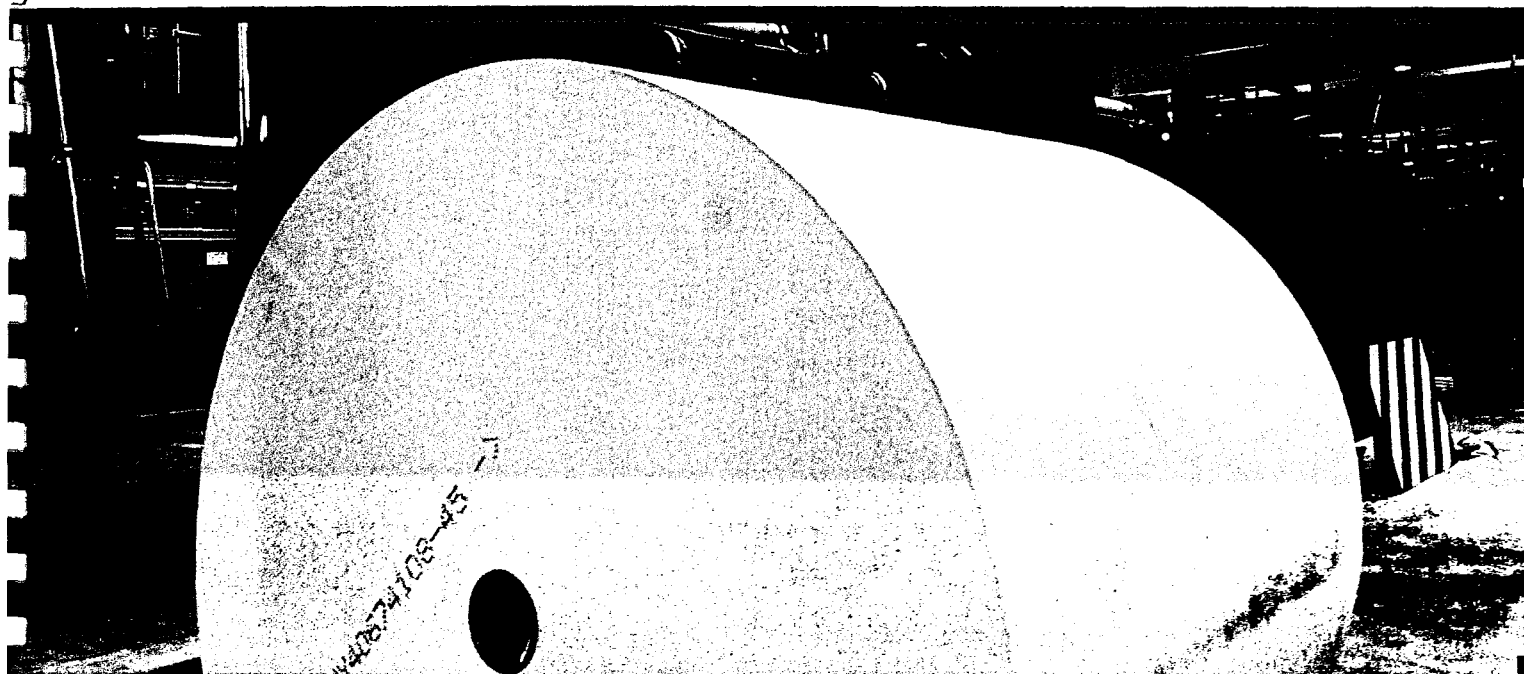


**IN SOME CASES MAKING
AN ETHICAL DECISION CAN
BE VERY STRAIGHTFORWARD.**

However in other situations the decision may be more complicated. When evaluating an ethical dilemma we should ask ourselves the following questions:

- Does it feel right?
- Would I be happy if details of the situation were made public?
- Are any laws being broken?
- Is the health and safety of individuals being threatened?
- Could it harm INM's reputation?

Depending on answers to the above we should seek clarification or raise this concern through one of the appropriate channels.



LOCAL CONTACTS



CONTACT INFORMATION

REPUBLIC OF IRELAND: Local Management:
Eamonn O'Kennedy +353 (0) 1 7055290
Michael Doorly +353 (0) 86 2411712
Declan Carlyle +353 (0) 1 7055304

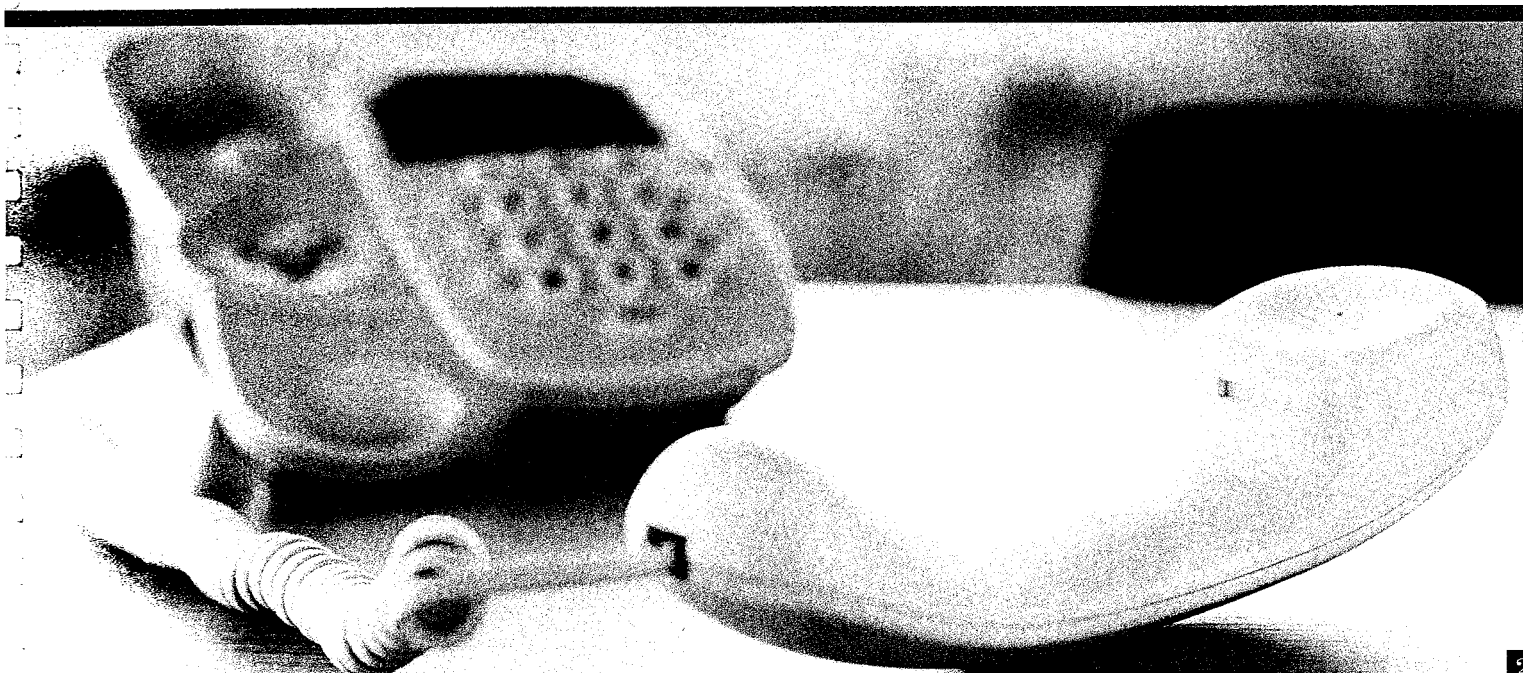
N. IRELAND: Local Management:
Richard McClean +44 (0) 28 90 554769
Michael Brophy +44 (0) 28 90 264161

GROUP: CFO:
Donal Buggy +353 (0) 14663200
COO:
Vincent Crowley +353 (0) 14663200
Internal Audit:
Neville Clancy +44 (0) 2073495282
Company Secretary:
Andrew Donagher +353 (0) 14663200

ETHICS HELPLINE: Toll free number:
Republic of Ireland: 1-800-559-031
United Kingdom: 0808-234-1241

OR

Make a report over the web:
Island of Ireland: www.inmeurope.alertline.com






Independent News & Media PLC

Independent House,
2023 Bianconi Avenue,
Citywest Business Campus,
Naas Road, Dublin 24, Ireland.

Tel + 353 1 466 3200
Fax + 353 1 466 3222
Email mail@inmplc.com
www.inmplc.com

| | | |
|--------------------------------------|--|---|
| CONFIDENTIAL - FOR INTERNAL USE ONLY | |  |
| Date of Issue: | October 2010 | |
| Version: | Anti-fraud policy Oct 10 | |
| Author: | Internal Audit | |
| Sponsor: | Vincent Crowley (COO), Donal Buggy (CFO) | |

Anti-Fraud Policy

Policy for the prevention and detection of fraud in INM

Introduction

Independent News & Media PLC (INM) is committed to maintaining the highest standards of ethical behaviour and expects its employees to act honestly and with integrity at all times to safeguard its resources and reputation. The Anti-Fraud Policy aims to raise awareness, and put into context, the responsibilities all employees have under the Code of Conduct with regard to fraud prevention and detection. Specifically the policy details the definition of fraud, the responsibility of all INM staff and management to report suspected fraud, management's responsibility to investigate and escalate suspected fraud and the company's obligation to shareholders to minimise both the risk of fraud occurrence and any subsequent impact.

INM does not tolerate fraud. Any substantiated fraud by INM employees, regardless of materiality, will be treated as serious misconduct and subject to company disciplinary procedures. Any individual who has a reasonable suspicion of fraud has a responsibility to report their concerns. The Group has a policy of no retaliation which means that INM will not penalise, or tolerate retaliation against any employee who reports a concern in good faith, even if that allegation is found to be unsubstantiated.

This policy applies to any fraud, or suspected fraud, involving employees as well as shareholders, consultants, vendors, contractors, advisors, Board members, and/or any other parties with a business relationship with the INM Group. The Group is defined as those companies in Ireland, UK and South Africa where INM directly or indirectly controls more than 50% of the equity. Companies where INM controls 50% or less of the equity are encouraged to adopt a similar policy.


It is the responsibility of local management to inform and remind staff on a regular basis of the existence of this policy, their responsibilities in this area and the availability of channels through which concerns can be reported.

What is fraud?

Fraud is "any intentional act committed to secure an unfair or unlawful gain". It is often assumed that fraud largely relates to the theft of company assets. However fraud can include acts of deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Actions such as mis-stating financial and/or operating performance, falsifying important documentation, paying backhanders to secure increased business are all examples of fraud. These types of actions can often have much more serious ramifications than theft of company assets. They can impact on INM's reputation, erode stakeholder confidence, result in investigations, lawsuits and fines and potentially imprisonment of company employees.

Fraud typically falls into three categories:

1. **Fraudulent reporting** - e.g. inappropriately reported financials such as sales, costs, profits, assets and liabilities, manipulation of circulation or advertising results, mis-statement of newspaper returns, tax fraud.
2. **Misappropriation of Assets** -e.g. destruction, removal or inappropriate use of records, fixtures and equipment, false billing schemes, payroll manipulation, fictitious contributor payments, theft of sensitive information, manipulation of travel expenses, use of company credit cards for non business reasons.
3. **Corruption** – e.g. payment or receipt of bribes, kickbacks and gifts to/from an individual, company or public official. Conflicts of interest, insider trading, aiding and abetting fraud.

| | | |
|--------------------------------------|--|---|
| CONFIDENTIAL - FOR INTERNAL USE ONLY | |  |
| Date of Issue: | October 2010 | |
| Version: | Anti-fraud policy Oct 10 | |
| Author: | Internal Audit | |
| Sponsor: | Vincent Crowley (COO), Donal Buggy (CFO) | |

How fraud occurs

Any type of fraud even those committed by large organisations boils down to the actions of individuals. The decision to bend or break the rules is always a personal one.

Three basic elements are normally present when fraud occurs:

- **Opportunity** - In order for fraud to happen the ability to commit fraud must exist. Some frauds arise because of lack of proper internal control policies and procedures. Other frauds may be the result of failures to follow existing control procedures, carelessness in carrying out checks, inadequate separation of duties of staff or management override of internal controls.
- **Pressure** - There may be a financial need such as high medical bills, debts, living beyond ones means, gambling or even drugs. Other times it may be driven by a need to obtain good results to keep one's employment or secure a promotion.
- **Rationalisation** - Fraudsters normally feel a need to justify their actions and convince themselves that their behaviour is acceptable. Beliefs such as "The company won't miss it," "They can claim it on insurance" and "Its normal practice, everybody does it", are often used to rationalise fraud.

Our responsibilities

The following sets out the anti-fraud responsibilities of employees, management and the Group:

Employee responsibility:

- Employees should familiarise themselves with related policies and procedures (e.g. the fraud policy, code of conduct, bribery and corruption policy).
- Employees have a responsibility to take reasonable action to prevent fraud and corruption in INM.
- Employees have a responsibility to report suspicions of fraud or corruption through the appropriate channels. Refer to the section on "Reporting fraud" for further details.
- Suspicions or allegations of fraud should not be discussed with anyone inside or outside the Group unless specifically directed to do so by head office personnel, Internal Audit or the local finance director. In particular the matter should not be discussed with the individual suspected of fraud.
- Cooperate in fraud related investigations.

Management responsibility:


- INM management will seek to prevent fraud by ensuring that a sound system of internal control, proportional to risk, has been designed and implemented and is functioning as intended.
- Where suspicions of fraud or corruption are raised directly with management, management should subsequently raise these suspicions with Group Head Office in Ireland (Chief Operating Officer and/or Chief Financial Officer), Internal Audit and the Group Company Secretary.

Group responsibility:

INM has an obligation to shareholders to minimise both the occurrence and impact of any fraudulent activity. To meet this obligation the Group will:

- Act promptly on any reports of potentially fraudulent or corrupt activities and undertake the appropriate level of investigation to verify facts.
- Report to the Audit Committee all known or suspected frauds across the Group. This relates to all fraudulent acts whether material or not, as the occurrence of a fraud suggests a breakdown in the relevant controls that should be in place hence it could be more illustrative of a more deep rooted problem with controls within that entity.

INM may collect and use such data as it considers reasonably necessary to prevent and detect fraud and corruption including the use of data mining techniques and use of personal data where permissible by local laws to prevent and detect crime. The company will, at all times, act reasonably with any data and with regards to personal data, INM will comply with the EU Directive as a minimum. INM has adopted a privacy policy based on compliance with the highest standard of the EU Data Protection Directive which means that if a country has no data protection law or offers a lower level of protection than that of the EU Directive, INM uses the higher standard of the EU Directive. However where a country's local legislation offers a higher level of protection than that of the EU, INM complies with the stricter law in that country.

| | | |
|--------------------------------------|--|---|
| CONFIDENTIAL - FOR INTERNAL USE ONLY | |  Independent News & Media PLC |
| Date of Issue: | October 2010 | |
| Version: | Anti-fraud policy Oct 10 | |
| Author: | Internal Audit | |
| Sponsor: | Vincent Crowley (COO), Donal Buggy (CFO) | |

Reporting fraud

Employees are key to preventing and detecting fraud. If you become aware of or suspect fraud you should report this without delay. INM will not penalise, or tolerate retaliation against any employee who reports a concern in good faith, even if that allegation is found to be unsubstantiated.

Individuals, who cover up, obstruct, fail to report or monitor a fraud that they become aware of will be considered an accessory of the fact and may be subject to disciplinary action. Employees can raise a concern with their managers, who have a responsibility to investigate and keep their Directors fully informed. Alternatively you can discuss particular concerns you may have with any of the following:

- Local management team
- Local HR
- Group Chief Operating Officer
- Group Chief Financial Officer
- Internal Audit
- Group Company Secretary
- Group Executive Directors

Where employees do not feel comfortable raising a concern internally, they can use the "INM ethics helpline". This is a telephone and web based reporting tool through which employees can raise concerns. It is managed by an external organisation called Global Compliance that is independent of INM.

All calls are free, translation services are available and employees can call 24 hours a day, seven days a week to discuss concerns they may have. See section on "support" for relevant contact details. When a concern is raised through this channel a report is sent to Internal Audit and the INM Group Company Secretary who will evaluate the issue. A pin number is provided to the individual raising the concern allowing him/her to get an update or provide more information at a further date.

When raising concerns through this channel you are urged to provide as much information as possible so that the concern can be thoroughly investigated. Employees are encouraged to disclose their name and are assured that all calls are treated with the upmost discretion. If you do not feel comfortable doing this, you may raise a concern anonymously.

Fraud management in INM

INM's high-level anti-fraud approach is detailed in the following steps:

Prevention:

- An effective set of controls are designed and implemented within INM to minimise fraud.
- Fraud risk assessments are completed periodically to highlight potential areas of weakness or risk.

Notification:

- All suspicions of fraud or corruption should be reported to Group Head Office in Ireland, Internal Audit and the Group Company Secretary. A decision will be taken as regards to whether an investigation is required.


Investigation:

- Investigations will be conducted in a prompt and professional manner with the aim of protecting the interests of INM, the individual reporting the alleged fraud and the suspected individual(s).
- Investigations will ensure that evidence is not contaminated, lost or destroyed and steps are taken to secure related assets, including hardware, and any other potential documentation or information.
- The output of an investigation will be an accurate account, as far as possible, of facts as they occurred and as disclosed through the investigation.

Outcome:

Based on the factual report produced through the course of the investigation, Group Head Office in conjunction with local management will decide on the necessary next steps. These include;

- No action to be taken
- Disciplinary action taken as per Human Resources policies and procedures
- Action taken to recover or restore any losses incurred
- Corrective actions to address a failure in control which allowed the fraud to occur
- Notification of fraud to the INM Board/Audit Committee

| | | |
|--------------------------------------|--|---|
| CONFIDENTIAL - FOR INTERNAL USE ONLY | |  |
| Date of Issue: | October 2010 | |
| Version: | Anti-fraud policy Oct 10 | |
| Author: | Internal Audit | |
| Sponsor: | Vincent Crowley (COO), Donal Buggy (CFO) | |

Support

The following sources are available for support and further information:

- INM Fraud Investigation policy
- INM Bribery and Corruption policy
- INM Code of Conduct
- Useful contacts

➤ INM Ethics Helpline

Toll free number
 Republic of Ireland 1-800-559-031
 Northern Ireland 0808-234-1241
 S Africa 0800-981-366

OR

Make a report over the web:
 Island of Ireland www.inmeurope.alertline.com
 S Africa www.inmsafrica.alertline.com

➤ Internal Audit


Neville Clancy
 Independent News & Media PLC
 5 Jubilee Place
 London SW33TD
 United Kingdom

Phone: +44(0)2073495282
 Email: n.clancy@inmuk.co.uk

➤ Group Company Secretary

Andrew Donagher
 Independent News & Media PLC
 2023 Bianconi Avenue
 Citywest Business Campus
 Naas Rd, Dublin 24
 Ireland

Phone: +353 (0)1 4663200
 Email: Andrew.Donagher@inplc.com

| | | |
|--------------------------------------|--|---|
| CONFIDENTIAL - FOR INTERNAL USE ONLY | |  |
| Date of Issue: | October 2010 | |
| Version: | Bribery and Corruption policy Oct 10 | |
| Author: | Internal Audit | |
| Sponsor: | Vincent Crowley (COO), Donal Buggy (CFO) | |

Bribery & Corruption Policy

Policy relating to the prevention and detection of bribery and corruption in INM

Introduction

Independent News & Media PLC (INM) is committed to applying the highest standards of honesty and integrity across our global operations and in all our business dealings. The Group aims to comply with bribery and corruption laws in all countries in which it operates. As part of its commitment to integrity INM has a zero tolerance approach to bribery and corruption.

This policy addresses INM's responsibility to prevent and detect bribery and corruption. It assists INM employees in identifying and avoiding situations that could potentially violate bribery and corruption laws.

This policy applies to all INM Group employees (which for the purpose of this Policy includes agents, contractors, consultants, board members and any other parties representing/performing services on behalf of the INM Group). The Group is defined as those companies in Ireland, UK and South Africa where INM directly or indirectly controls more than 50% of the equity. Companies where INM controls 50% or less of the equity are encouraged to adopt a similar policy. INM also expects its business partners and suppliers to act with integrity and take appropriate measures to avoid potential incidences of bribery and corruption.

INM takes bribery and corruption very seriously and any employee found to be violating this policy will be subject to disciplinary action, which may include termination.

It is the responsibility of every manager to communicate this policy and ensure that all relevant employees and external parties working on behalf of INM, within their area of responsibility, understand and comply with these policy guidelines.

What is bribery and corruption?

A "bribe" is anything of value that may be seen as an attempt to influence an individual's actions or decisions, obtain or retain business, or acquire any sort of improper advantage. This may include awarding business contracts, cash, gifts, entertainment, hospitality, offers of employment, consultant contracts, grants, loans and charitable donations.


Corruption is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

INM employees must never directly or indirectly;

- offer
- promise to make
- make payment
- request
- agree to receive or
- accept

anything of value as an inducement for an action which is illegal, unethical or a breach of trust.

No employee will be penalised or be subject to other adverse consequences for refusing to pay bribes even if it may result in INM losing business.

| CONFIDENTIAL - FOR INTERNAL USE ONLY | |  |
|--------------------------------------|--|---|
| Date of Issue: | October 2010 | |
| Version: | Bribery and Corruption policy Oct 10 | |
| Author: | Internal Audit | |
| Sponsor: | Vincent Crowley (COO), Donal Buggy (CFO) | |

Key risk areas

Conflicts of interest

All employees are expected to declare in writing if they find themselves in a situation where their personal interests or loyalties conflict with the interests of INM. Such a declaration should be made to their immediate manager who should then report it to their Finance Director. Where appropriate, the Group Chief Financial Officer should be informed.

Gifts and hospitality

Employees should only accept or give gifts or entertainment that are for business purposes and are not material or frequent. INM recognises that market practice and customs vary across the world and appreciates that in some cases refusing a gift or entertainment may cause offence. Employees are expected to exercise sound judgement in this area. It is however a key requirement that gifts or entertaining should not be given or received on such a scale that they create or are perceived to create an inducement to do business which may not otherwise be undertaken. Gifts of cash or cash equivalents (i.e. shares) in any amount are prohibited.

Besides employees of the organisation, corporate gifts and hospitality policies should also extend to their family members. For instance, a corporate invitation to a conference in Dubai may be legitimate for business reasons, but if spouses are invited and paid for, it may be misconstrued as a holiday or indeed may be an inducement. The key principle is that hospitality received is reasonable, is business related and is not just for the employee's or their family's personal enjoyment

Charitable contributions and sponsorship

The INM Group has an extensive track record of supporting large-scale humanitarian causes on both a global and local basis. It supports a wide variety of charitable organisations through in kind services and/or financial contributions. The business should be mindful that charitable contributions and sponsorships do not create or appear to create an obligation. Under no circumstances may a monetary or in-kind contribution be given directly to an individual but should be paid/offered directly to the institution that the charitable donation relates too. Prior approval for all such donations should be obtained in writing as outlined in the Group payments policy. A register of charitable contributions should be maintained by the finance director for each region (S. Africa, Northern Ireland and the Republic of Ireland) and by Group Head Office (See Appendix A for relevant disclosure form).

Political support


INM has a policy of generally not supporting political candidates or parties. Where an INM business believes that it is in the interest of the Group to support a political candidate or party, prior approval should be obtained in writing from the Group COO and the Group CFO. Support can relate to direct financial aid but can also include providing benefits in kind or sponsorship. Similar to charitable donations, for each region and for Group head office, a register of all political contributions (of any type) should be maintained (See Appendix A for relevant disclosure form).

Facilitation payments

"Facilitation payments" are typically payments of a small amount to a government official to secure or expedite a routine governmental action, often to avoid bureaucratic delays or inaction if payment is not made. Examples include payments to speed up customs clearances and extra fees to officials to secure electricity connections.

Under current UK legislation facilitation payments are illegal – regardless of size or local cultural expectations, even if that is "how business is done". INM also prohibits the making of facilitation payments. However, in the event that a facilitation payment is being extorted, or if you are forced to pay under duress or faced with potential safety issues or harm, such a payment may be made, provided that certain steps are followed. An extreme example would be a demand for payment to secure an emergency admission into hospital.

If you are ever placed in such a situation, you must notify your manager as soon as possible and you must record the payment appropriately within INM's books and records to reflect the substance of the underlying transaction. If you are unsure whether certain payments qualify as facilitation payments please contact your local manager, Internal Audit or Group Head Office.

| | | |
|--------------------------------------|--|---|
| CONFIDENTIAL - FOR INTERNAL USE ONLY | |  |
| Date of Issue: | October 2010 | |
| Version: | Bribery and Corruption policy Oct 10 | |
| Author: | Internal Audit | |
| Sponsor: | Vincent Crowley (COO), Donal Buggy (CFO) | |

Key risk areas ctd

Third Parties relationships

Subsidiaries and Business Partners

You should act with due care before engaging with a business partner and ensure that subsidiaries and business partners know and respect INM's code of conduct and related policies.

Distributors and Agents

Compensation paid to distributors and agents (including advisors, consultants) must be appropriate and justifiable remuneration for legitimate services rendered. The relationship must be documented and the agent or distributor should agree to comply with our code of conduct. Management should routinely follow the conduct of agents and distributors and reserve the right to termination in the event that they pay or solicit bribes or in any other way violate INM's code of conduct.

Contractors and Suppliers

Procurement practices should be conducted in a fair and transparent manner and due care exercised when evaluating major prospective contractors and suppliers. INM's bribery and corruption policy should be made known to our contractors and suppliers. The conduct of major contractors and suppliers should be monitored and our relationship terminated in the event that they pay or solicit bribes. You should avoid dealing with prospective contractors and suppliers known to be paying bribes.

Turning a blind eye to bribery and corruption is unacceptable. Under no circumstances should we ignore signs that any partner or third party may be making corrupt payments in connection with any venture or activity in which INM is involved or has any interest. Any suspicions in this area should be reported immediately through one of the channels outlined in the section "Reporting concerns".

Deterring Bribery and Corruption

Documentation,

False, misleading, incomplete, inaccurate or artificial entries in the books and records of any INM group company are strictly prohibited. It is never permissible to mischaracterize an improper payment as a proper one, or to bury an improper payment in a larger line item of proper payments. Employees should never satisfy requests for false invoices or other documentation.

Risk assessments


Risk assessments highlight those businesses which are more vulnerable to bribery and corruption due to country, transaction and /or partnership risks. These assessments should be performed on a systematic and recurring basis involving appropriate personnel. Bribery and corruption schemes should be considered and mapped to mitigating controls. The existence of a risk assessment and the fact that management is articulating its existence may act as deterrent to would be perpetrators of bribery and corruption.

Internal controls

Management within the INM Group are required to maintain an internal control environment designed to prevent improper payments and deter potential incidences of bribery and corruption.

Monitoring

INM will periodically monitor and audit compliance with this policy through scheduled, as well as random, anti-corruption audits.

| | | |
|--------------------------------------|--|---|
| CONFIDENTIAL - FOR INTERNAL USE ONLY | |  |
| Date of Issue: | October 2010 | |
| Version: | Bribery and Corruption policy Oct 10 | |
| Author: | Internal Audit | |
| Sponsor: | Vincent Crowley (COO), Donal Buggy (CFO) | |

Red flags

The following is a list of possible scenarios that may raise concerns about potential incidences of bribery and corruption

- We are doing business in a country that has a reputation for corruption.
- We are doing business with people or entities that are known to engage in bribery or who are suspected of engaging in bribery.
- We have been recommended by a customer or government employee to use a particular consultant, or distributor
- We are paying a commission/fee which is disproportionate compared to the service, goods being supplied.
- We have been requested to provide lavish entertainment, gifts or travel to the individual, business.
- We have been asked by a client to make a political or charitable contribution.
- We have been requested to pay a commission to a company different from the one earning the commission or to an offshore bank account.
- We have not been provided with transparent supporting documentation relating to the transaction i.e. presence of contracts; legitimate invoices, proper bank accounts
- We are doing business with an individual, entity that has a close relationship that could improperly influence the decision of a customer or government employee

Reporting a concern

Any transaction, regardless of its value, may give rise to violations of bribery and corruption laws and regulation. Thus, it is important that every INM employee understands the rules and reports any wrongdoing he or she notices as soon as possible. If you believe a violation is occurring or has occurred, you should report it immediately.

INM has a policy of no retaliation which means that it will not penalise, or tolerate retaliation against any employee who reports a concern in good faith, even if that allegation is found to be unsubstantiated. Individuals, who cover up, obstruct, fail to report or monitor any incidence of bribery and corruption that they become aware of will be considered an accessory of the fact and may be subject to disciplinary action.


Employees can raise a concern with their managers, who have a responsibility to investigate and keep their Directors fully informed. Alternatively you can discuss particular concerns you may have with any of the following:

- Local management team
- HR
- Group Chief Operating Officer
- Group Chief Financial Officer
- Internal Audit
- Group Company Secretary
- Group Executive Directors

Where employees do not feel comfortable raising a concern internally, they can use the "INM ethics helpline". This is a telephone and web based reporting tool through which employees can raise concerns. It is managed by an external organisation called Global Compliance that is independent of INM. Refer to the section on "Support" for relevant contact details.

All calls are free, translation services are available and employees can call 24 hours a day, seven days a week to discuss concerns they may have. When a concern is raised through this channel a report is sent to Internal Audit and the INM Group company secretary who will evaluate the issue. A pin number is provided to the individual raising the concern allowing him/her to get an update or provide more information at a further date.

When raising concerns through this channel you are urged to provide as much information as possible so that the concern can be thoroughly investigated. Employees are encouraged to disclose their name and are assured that all calls are treated with the upmost discretion. If you do not feel comfortable doing this you may raise a concern anonymously.

| | | |
|--------------------------------------|--|---|
| CONFIDENTIAL - FOR INTERNAL USE ONLY | |  |
| Date of Issue: | October 2010 | |
| Version: | Bribery and Corruption policy Oct 10 | |
| Author: | Internal Audit | |
| Sponsor: | Vincent Crowley (COO), Donal Buggy (CFO) | |

Support

The following sources are available for support and further information:

- INM Fraud policy
- INM Code of Conduct
- INM Group payments policy
- Useful contacts

➤ INM Ethics Helpline

Toll free number
 Republic of Ireland: 1-800-559-031
 Northern Ireland 0808-234-1241
 S Africa 0800-981-366

OR

Make a report over the web:
 Island of Ireland www.inmeurope.alertline.com
 S Africa www.inmsafrica.alertline.com

➤ Internal Audit


Neville Clancy
 Independent News & Media PLC
 5 Jubilee Place
 London SW33TD
 United Kingdom

Phone: +44(0)2073495282
 Email: n.clancy@inmuk.co.uk

➤ Group Company Secretary

Andrew Donagher
 Independent News & Media PLC
 2023 Bianconi Avenue
 Citywest Business Campus
 Naas Rd, Dublin 24
 Ireland

Phone: +353 (0)1 4663200
 Email: Andrew.Donagher@inplc.com

| | | |
|--------------------------------------|--|---|
| CONFIDENTIAL - FOR INTERNAL USE ONLY | |  |
| Date of Issue: | October 2010 | |
| Version: | Bribery and Corruption policy Oct 10 | |
| Author: | Internal Audit | |
| Sponsor: | Vincent Crowley (COO), Donal Buggy (CFO) | |

Appendix A - POLITICAL, CHARITABLE CONTRIBUTIONS AND SPONSORSHIP DISCLOSURE FORM

Disclosure requirement: In accordance with INM's bribery and corruption policy this disclosure must include all political, charitable (including community) contributions and sponsorships over the 6 months prior to submission of this form. The form should be completed by the regional director for S. Africa, Northern Ireland and Republic of Ireland. For contributions and sponsorships organised through Group Head Office, a similar form should be completed by the Group Chief Financial Officer.

| Business unit | Recipients Name | Date | Contribution type ¹ | Nature of contribution ² | Value ³ |
|---------------|-----------------|------|--------------------------------|-------------------------------------|--------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

I have read and understood INM's policy on bribery and corruption and have disclosed all political, charitable, (including community) contributions and sponsorships for the previous six months.

Signature: _____

Printed Name: _____

Date: _____

¹ Contribution type: Political, Charitable, Community or Sponsorship

² Nature of contribution: Direct financial contribution or payment in kind (free advertising, free printing etc)

³ Value of contribution: Where the contribution was not a direct financial contribution estimate (where possible) the approximate value of the contribution.

CONFIDENTIAL - FOR INTERNAL USE ONLY

Date of Issue: October 2010
Version: Investigation policy Oct 10
Author: Internal Audit
Sponsor: Vincent Crowley (COO), Donal Buggy (CFO)



Investigation Policy

Approach to dealing with incidents or allegations of fraud in INM

Introduction

Independent News & Media PLC (INM) is committed to maintaining the highest standards of ethical behaviour and expects its employees to act honestly and with integrity at all times to safeguard its resources and reputation.

The Investigations policy outlines INM's approach in dealing with incidents or reasonable allegations of fraud. Its objective is to ensure that the process for review, investigation and resolution of perpetrated or alleged fraud is handled in a prompt, fair, confidential and efficient manner. By ensuring that there are adequate procedures in place for handling allegations of fraud, relevant stakeholders both internal and external can be confident that the matter has been handled appropriately and in accordance with the law and best practice.

This policy applies to all fraud related investigations involving INM group activities. The Group is defined as those companies in Ireland, UK and South Africa where INM directly or indirectly controls more than 50% of the equity. Companies where INM controls 50% or less of the equity are encouraged to adopt a similar policy.

What is an investigation?

An investigation is an inquiry into circumstances surrounding an allegation or incident of fraud. The objective of an investigation is to obtain all relevant information to establish the facts of the case. This will include interviewing the employee(s) being investigated and all relevant witnesses, taking statements, obtaining documentary evidence and contacting outside agencies, bodies and individuals as appropriate.

Receiving the allegation

Any employee (which for the purpose of this document includes agents, contractors, consultants, board members and any other parties representing/performing services on behalf of the INM Group) who has a reasonable suspicion of fraud has a responsibility to report their concerns. The Group has a policy of no retaliation which means that INM will not penalise, or tolerate retaliation against any employee who reports a concern in good faith, even if that allegation is found to be unsubstantiated. Further details on how to report fraud are outlined in INM's Code of Conduct.

Potential fraud may come to the organisation's attention in many ways, including

- Tips from employees, customers or suppliers;
- Internal/External audits;
- Process control identification; or
- By accident.

Who should be informed?

In every instance where a perpetrated or suspected fraud has been discovered (regardless of the value of the fraud) its occurrence should be immediately notified to the following:

- Group Head Office (Chief Operating Officer and/or Chief Financial Officer);
- Internal Audit; and
- Group Company Secretary.

Notification should be provided by the local finance director or in his/her absence/implication someone of similar seniority. Alternatively notification may be provided directly by the individual who suspects the fraud.

CONFIDENTIAL - FOR INTERNAL USE ONLY

Date of Issue: October 2010
 Version: Investigation policy Oct 10
 Author: Internal Audit
 Sponsor: Vincent Crowley (COO), Donal Buggy (CFO)



Evaluating the allegation

The business should act promptly to determine whether the allegation constitutes fraud and whether it is credible and specific enough to warrant further investigation. The possibility that the complaint is vexatious or made in bad faith should be considered in the context of any potential employer investigation. Where a decision is taken not to conduct an investigation the source of the allegation, where possible, should be informed of this along with the reasons for taking this decision. All allegations regardless of whether they are formally investigated or not should be logged in INM's issue management system and the related outcome documented and reported to the Audit Committee.

Performing the investigation

Every investigation is different and the way it is conducted will vary according to the circumstances of each case and will be determined by the Group's Chief Operating Officer (COO) and/or the Group's Chief Financial Officer (CFO) in consultation with Internal Audit and local management. They will assess the scope and complexity of the investigation and use their judgement to decide the best course of action.

If the matter is a routine one – for example, day to day operational matters, such as nonmaterial expense report irregularities – it may be decided that the matter can be investigated less formally, or that the investigation will involve a minimum amount of time and detail and will not, therefore, require the appointment of an investigation officer. Where the matter is more serious, a more detailed investigation will be required and an investigation officer will be appointed to take charge of the investigation on a day by day basis.

Where an inquiry leads to the conclusion that an investigation is warranted, the suspected fraud must be investigated in an independent, open-minded and professional manner with the aim of protecting the interests of the Group, the individual making the allegation and the suspected individual(s). Suspicion must not be seen as guilt to be proven. Those carrying out the investigation should confine themselves to investigating those matters which are the subject of, or are relevant to, the suspected fraud. The investigation will be coordinated by the Group COO/CFO, in consultation with local management, utilising local management resources and external parties as considered appropriate by the CFO/COO. The source of the allegation, where possible, should be informed of the investigation to provide him/her with assurance that the reported allegation is being taken seriously.

Where initial investigations reveal that there are reasonable grounds for suspicion and to facilitate the ongoing investigation it may be appropriate to suspend an employee against whom an accusation has been made. This decision will be taken by the COO and/or the CFO in consultation with HR and local management. Suspension should not be regarded as disciplinary action nor should it imply guilt.

Depending on the specifics of the allegation it may be in the interests of INM to employ external parties to assist in the investigation. This could be in order to avoid potential conflicts of interest, avail of specific expertise, ensure prompt action or demonstrate that the investigation was performed in an unbiased manner.

The investigating officer will ensure that a detailed record of the investigation is maintained. This should include a chronological file recording details of all telephone conversations, discussions, meetings and interviews (with whom, who else was present and who said what), details of documents reviewed, test and analysis undertaken, the results and their significance. Everything should be recorded. It is important from the outset, to ensure that evidence is not contaminated, lost or destroyed. Immediate steps should be taken to secure physical assets including hardware and any other potentially evidential information.

Liaison with Police & External Audit

The police generally welcome early notification of suspected fraud, particularly that of a serious or complex nature. Some fraud will lend themselves to automatic reporting to the police (such as theft by a third party). For more complex frauds the COO following consultation with the CFO will decide if and when to contact the police. The CFO will report fraud to the external auditors at the appropriate time.

All staff will co-operate with any police or external audit enquiries, which may have to take precedence over the internal investigation or disciplinary process. However where possible, parties will co-ordinate their enquiries to maximise the effective and efficient use of resources and information.

CONFIDENTIAL - FOR INTERNAL USE ONLY

Date of Issue: October 2010
 Version: Investigation policy Oct 10
 Author: Internal Audit
 Sponsor: Vincent Crowley (COO), Donal Buggy (CFO)



Reporting the results

The findings of the investigation will be reported to Group Head Office in Ireland (including the COO/CFO), Internal Audit and the Group Company Secretary. The source of the allegation should also be informed of the general outcome of the investigation. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Group from potential civil liability.

Corrective action

Once the investigation has been completed Group Head Office in conjunction with the local business will determine what actions to take in response to the findings. Possible actions can include:

- Criminal referral - INM may refer the case to law enforcement;
- Civil action - Management may wish to pursue a civil action against the perpetrators to recover funds;
- Disciplinary action - Internal disciplinary action may include termination, suspension (with or without pay), demotion, or a warning;
- Insurance claim - INM may be able to pursue an insurance claim for some or all of its losses;
- Extended Investigation - Conducting a root cause analysis and performing an extended investigation may identify similar misconduct elsewhere in the organisation;
- Business process remediation – INM may be in a position to re-engineer its business processes effectively to reduce or remove the opportunity for similar frauds in the future; and
- Internal control remediation – The organisation may wish to enhance certain internal controls to reduce the risk of similar frauds going undetected in the future.

Confidentiality

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Group Company Secretary in Ireland.

No information concerning the status of an investigation should be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following;

- Do not contact the suspected individual in an effort to determine facts or demand restitution;
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by head office personnel (COO/CFO), Internal Audit or the local finance director.

Support

The following sources are available for support and further information:

- INM Fraud policy
- INM Bribery and Corruption policy
- INM Code of Conduct
- INM Ethics Helpline

Toll free number

Republic of Ireland
 Northern Ireland
 S Africa

1-800-559-031
 0808-234-1241
 0800-981-366

OR

Make a report over the web:
 (Island of Ireland)
 (S Africa)

www.inmeurope.alertline.com
www.inmsafrica.alertline.com