

NORTHGATE PLC

CODE OF BUSINESS CONDUCT

1. Purpose

Since it was started in 1981, Northgate has, through the diligence and commitment of its Directors and employees, both past and present, built a reputation for conducting its business with honesty and integrity. This reputation is a valuable asset: once lost, it would be extremely difficult and take a long time to regain.

The Board considers that it is vital to the continued success of Northgate that we protect our reputation by conducting our business with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code of Conduct sets out the fundamental standards to be followed by all Directors and employees throughout the Group and seeks to promote honest and ethical conduct when acting on behalf of the Company.

2. Principles

Employees should:

- 2.1.** Conduct the Company's business with honesty and integrity and in a professional manner that protects the Company's public image and reputation.

Employees should exercise care and good judgment when dealing with the receiving of entertainment, gifts or benefits and should remain scrupulously free from obligations to suppliers or customers. A good benchmark to enable you to judge whether any proposed action is appropriate, is to ask yourself whether the Company or the recipient would be embarrassed if the event should become public knowledge. The following are some guidelines on what is appropriate and what is not:

- 2.1.1.** Gifts of cash, or cash equivalents, are never permissible regardless of the amounts.
- 2.1.2.** Gifts, services, entertainment or benefits of any kind from the Company's suppliers will be permitted only where they are considered normal in the course of carrying out your duties. Should something be offered which is out of the ordinary, or if you are in any doubt whatsoever, you must seek approval from a senior member of management before the gift, entertainment, etc. is accepted.
- 2.1.3.** The Company will only fund gifts and entertainment where they are consistent with accepted business practice.
- 2.1.4.** Bribery in any form is not acceptable.

- 2.2.** Build relationships with customers, suppliers and fellow employees based on trust and treat every individual with respect and dignity in the conduct of Company business.

- 2.3.** Become familiar with and comply with relevant legal requirements and Company policy and procedures, in particular the bribery act 2010.

All employees having dealings with suppliers or contact with competitors should be conversant with the principles set out in the competition act 1998 and the enterprise act 2002. This legislation outlaws anti-competitive agreements and conduct and is designed to establish a level playing field for all businesses engaged in a particular sphere of activity. Penalties for breaching the legislation are severe. Examples of practices which are prohibited include:

- i.** price fixing;
- ii.** market-sharing;
- iii.** the imposition of unfair terms and conditions;
- iv.** any practices which may be perceived to be an abuse of a dominant market position;
- v.** restricting a competitor's source of supply.

No employee should agree on, or even discuss with competitors product pricing, market sharing or terms and conditions relating to products offered by the Company. The law in this area is complex: if in doubt, employees should seek advice from the Group Secretary before engaging in any discussions or meetings on matters which may be prohibited by the Competition legislation.

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2.4. Avoid actual or potential conflicts of interest with the Company, or the appearance thereof, in all transactions.

Any employee who has a personal interest in an organisation with which Northgate has or may have a business relationship is vulnerable to allegations of impropriety. If a personal interest or that of a member of one's immediate family might influence the Company's business relationship, it should be declared in writing to the Group Secretary. A copy of this should also be sent to the relevant member of the UK Senior Management team.

Examples of a personal interest that should be declared include a directorship, a significant shareholding, a promise of future employment or the employment of a close relative or friend in a position of influence in an organisation which may be given business or awarded contracts by our Company.

Similarly, the employment of a close relative or friend within the Company should be done in such a way that a conflict of interest does not arise.

The policy of the Company with respect to conflicts of interest requires that all employees avoid situations in which any conflict might arise between their personal interest and those of the Company in dealing with suppliers, customers and all other organisations or individuals, doing or seeking to do business with the Company.

If you are in any doubt as to whether a conflict of interest exists or may develop, you should raise this immediately with the Group Secretary or a senior member of management.

Safeguard the Company's confidential information, and respect the confidential information of other parties with whom the Company has dealings.

All employees have a responsibility to safeguard the confidentiality of any information acquired during the course of their work, including information kept on computers, and a duty never to use it for personal advantage. Such information should not be disclosed outside the Company and should only be divulged to other staff who need to know the information in order to carry out their duties. This obligation applies not only during employment with the Company, but thereafter as well.

Promptly report to the Company any breaches of law or ethical principles or Company policies that come to the employee's attention, and cooperate fully in any audit, enquiry, review or investigation by the Company. This includes improper use of Company assets, fraud and theft: such conduct will always be treated as gross misconduct which can result in immediate termination of employment.

If appropriate, such reports can be made confidentially using the Group's Expolink facility. The Expolink line is designed to supplement, rather than replace, existing reporting channels. Calls will not be recorded or traced and callers may remain anonymous. Expolink staff answer the calls and pass on the information to the Chief Executive and/or the Group Secretary.

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3. Inside information

In the UK there are regulations which control the buying and selling of stocks, shares and bonds. These provide for severe penalties, both civil and criminal, for those who make use of so-called "inside" information to buy and sell shares for their own benefit and profit. Inside information includes any important fact which might be significantly relevant in the decision to buy or sell particular shares. The insider could be an employee, but could also be a family member, friend, broker or anyone to whom he or she communicates the information. Shares which are relevant in this respect to you as an employee, are not only those of Northgate plc but also the shares of any company of which you have acquired important knowledge which is not generally known to the public, as a result of your employment. In particular, you must not buy or sell the shares of any company which you know Northgate is considering acquiring.

These regulations are designed to protect other investors, and are strictly enforced. Both the individual and the company involved may be punished if the regulations are broken.

If you have any doubts, therefore, as to whether a sale or purchase of shares you are proposing to make might be in breach of the insider dealing regulations, you should first ask the Group Secretary for advice.

4. Political and civic activities

It is not the intention of Northgate, or this policy, to dissuade employees from participating actively in public duties.

It is important, however, that by doing so there is no suggestion to a third party that the employee is acting on behalf of, or with the support of, his or her individual business or Northgate plc.

To avoid any misunderstanding, no employee should permit his or her company affiliation to be noted in any outside organisation's materials or activities without the express written approval of a member of senior management.

5. Responsibility

- 5.1. All employees should uphold these standards in the conduct of Company business. If a decision about a particular action is not covered specifically by this Code or other Company policy, employees should seek guidance from their manager, other senior management or the Group Secretary.
- 5.2. Management at all levels should visibly demonstrate support for the principles set out in this Code and promote adherence by all employees.
- 5.3. Employees who fail to comply with this Code, including managers who ignore prohibited conduct, or have knowledge of the conduct and fail to correct it, may be subject to disciplinary action which may result in termination of employment with the Company.