

ANTI-BRIBERY POLICY & PROCEDURES

DIVISION PRESIDENT INTRODUCTION

At Leggett & Platt, we're proud of our culture and we try to ensure that integrity underpins everything we do.

We have a Corporate Business Policies Manual which detailed the Bribery, US Foreign Corrupt Practices Act and Other Anti-Bribery Laws. In it we made it clear that we do not tolerate to pay any bribe or make any other illegal payment on behalf of the Company, no matter how small the amount. The Bribery Act 2010 brings into fresh focus the importance of behaving with integrity - **we do not tolerate, permit, or engage in bribery, corruption, improper payments, or unethical practices of any kind** in our business dealings, anywhere in the world, whether in the public or private sector.

We have introduced these procedures to reinforce our stance on bribery and corruption and to help our Employees to do the right thing when they're carrying out our business. This policy can be obtained from our SharePoint and www.leggetteurope.com/locations.asp (click on United Kingdom).

Please follow them and continue to follow our Corporate Business Policies Manual.



Anthony Joyce
Division President

18 July 2011

ANTI-BRIBERY PROCEDURES

1 INTRODUCTION TO THE PROCEDURES

- **These Procedures are intended to ensure that our businesses, Employees, and suppliers do not give or receive a bribe and comply with the UK Bribery Act, the US Foreign Corrupt Practices Act and local bribery laws.**
- **Individuals face up to 10 years imprisonment if they pay or receive bribes, and we may commit a criminal offence if we do not take steps to prevent bribery by our Employees.**
- **It is irrelevant, whether the person making the bribe, or receiving it, works in the public or private sector.**

The Anti-Bribery Procedures apply to all of our businesses in the UK, including **Leggett & Platt Components Europe Limited, Leggett & Platt Springs UK, Leggett & Platt UK Limited**; our directors, officers and employees (referred to as “Employees”); and our contractors, consultants and suppliers.

The procedures apply irrespective of the country in which business is being conducted. Where there are differences between the local law and these procedures, you must apply whichever sets the highest standard of behaviour.

2 WHAT IS BRIBERY?

- **Bribery is offering, giving, asking or receiving anything with the intent of getting the recipient to do something improper.**

It is a criminal offence to give or receive a bribe.

A bribe can be anything which is given to get someone to do something wrong, or in respect of public officials to influence them to our business advantage. Bribes usually take the form of improper payments or personal “commissions”. They can, however, take on many different shapes and forms, such as gift cards, gifts, entertainment and shopping trips, payment of travel and other expenses, secret rebates, charitable or political donations.

3 WHY ARE THE POLICY AND PROCEDURES IMPORTANT?

There are two equally important reasons:

- **We are, and want to be known to be, a business that acts with integrity.**
- **Bribery is a criminal offence in most countries.**

The UK has the toughest bribery laws of anywhere in the world which apply to British companies and citizens, and also to foreign people and businesses if they do any business in or with the UK.

Individuals risk up to 10 years imprisonment if they breach the UK's bribery laws. L&P may commit an offence and risks having to pay significant fines if it does not have in place adequate procedures to prevent bribery.

We need to guard against deliberate and also accidental breaches of bribery laws.

4 WHAT IS EXPECTED OF YOU?

All of our Employees and business partners are expected to act with honesty and integrity and to comply with all applicable laws, whether or not specifically covered by our policies. You must make sure you live by the ethical standards that are expected and that you are familiar with Corporate Business Policies Manual. You must also follow these procedures.

These Procedures cannot address every conceivable situation, but following them will help you come to the right decision. Always err on the side of caution and if you are in any doubt about what to do, contact the Finance Director.

If someone asks you to pay a bribe, you should refuse and tell them it's against our policies. You should report the request to a member of the management team. If you are unsure whether or not a bribe has been requested, you should ask for more information about what's being requested and why, and then speak with a member of our management team.

If you are offered a bribe, refuse it and tell the person offering it that it is against our policies. Make a note of who offered you the bribe, what was offered, what was expected in return, and then speak with a member of our management team.

5 RISK ASSESSMENT

Before these procedures were implemented, we carried out a risk assessment of our business.

Going forward each area manager is responsible for ensuring that the risk of bribery in their business unit is reviewed through the business planning process.

Bribery risks associated with transactions going forward will be considered as part of the corporate governance process.

6 GIFTS AND ENTERTAINMENT

Offering gifts

We support the practice of offering modest non-cash gifts to business partners where appropriate for marketing purposes or, as long as the gift is occasional and not regular or repeated other purposes such as expressing thanks or making a goodwill gesture. For example, we may offer promotional material such as mouse pad, calendars and etc for marketing purposes.

If you want to offer a gift to the same recipient worth more than £50 in a tax year, you must obtain prior approval from the Finance Director who will decide if the proposed gift is legitimate, proportionate and reasonable.

You should never offer:

- cash gifts;
- any sort of gift where the intention is to influence the recipient's judgment;
- any sort of gift where you know that the recipient is not allowed to receive it.

Accepting gifts

You are allowed to accept token gifts from business partners or potential business partners where this constitutes legitimate and reasonable marketing or where it is a legitimate goodwill gesture. For example, you can accept promotional items such as desk calendars or pens or occasional gestures such as a bunch of flowers from a customer to express thanks or offer congratulations.

You should never accept:

- cash gifts; or
- gifts which are worth more than £50; or
- repeated/regular gifts from the same donor; or
- any sort of gift where your judgment might reasonably be thought to be at risk of influence as a result of the gift (for example, a gift from a potential business partner shortly before you make a decision over whether or not to award them a contract); or
- any sort of gift which might reasonably bring the business into disrepute or be contrary to terms or the spirit of our equal opportunities/dignity at work policy, for example a pin-up calendar.

Be aware that a 'gift' includes food, drink and other corporate hospitality if the host is not present. For example, if you are invited to attend Wimbledon Championships by one of our suppliers but the supplier will not be present then the tickets are a gift.

For purchase department – it is prohibited from receiving gifts from potential business partners during any kind of active negotiation process.

If you are offered a gift in circumstances which make you concerned or uncomfortable then you should raise this with the Finance Director. It is our policy and your responsibility to act ethically at all times.

If any unauthorised gift is offered to you then you should decline it politely explaining that our policy does not permit you to accept it, unless to do so would be embarrassing or insulting (for example because the gift is offered in public) in which case you should accept the gift and then refer the situation to your manager. The company is likely to write to the donor of the gift explaining our policy and returning the item.

Gifts and overseas travel

If you are travelling overseas on business to an area where gifts are an important part of business culture then you will be allowed and expected to participate in gift giving and receiving but this still needs to be proportionate and reasonable from a UK perspective. You should seek guidance from the Finance Director.

Corporate hospitality and entertainment

Our policy is to participate in corporate hospitality and entertainment where this will promote good relationships with our business partners.

However, corporate hospitality and entertainment, including attendance at dinners or sporting events, should not be offered or accepted if:

- it is on a scale which is disproportionate to the legitimate business value of the relationship; or
- you are offering it with the intention of influencing the recipient's judgement or when you know they are not permitted to accept it; or
- you are offered it in circumstances when acceptance would influence your business judgment or put you in a difficult position, for example being offered Wimbledon tickets by a supplier shortly before their contract came up for renewal; or
- if it would infringe our expenses policy; or
- if it might reasonably bring the business into disrepute or contravene the terms or the spirit of our equal opportunities/dignity at work policy, for example a post-meal visit to a 'gentleman's club'.

If you are unsure as to whether a particular invitation is appropriate, you should seek guidance from the Finance Director.

Those responsible for purchase/procurement of supplies/components etc – it may be inappropriate to accept any kind of invitation whatsoever during any kind of active bidding/procurement/negotiation process etc.

Recording and disclosing

ALL gifts and hospitality must be registered in the Hospitality register (which is accessible on the SharePoint), except when they are genuinely token, e.g. a pen or cup of coffee.

7 TRAVEL AND BUSINESS EXPENSES

Please refer to the expenses policies which are published on the Intranet SharePoint.

8 POLITICAL CONTRIBUTIONS AND EVENTS

- **We support good and stable government. We do not support individual politicians or officials.**
- **We do not make contributions to political parties, organisations or individuals engaged in politics as a way of obtaining an advantage in business.**

Political Contributions & Events

Care must also be taken in supporting events and other activities of government, local authorities, political parties and public officials. Such support must not be perceived to exert any improper influence.

There needs to be a legitimate business reason for supporting the event and the amounts involved should be reasonable. Any payment to attend an event must be made to a political party or organisation rather than to an individual politician. Any attendance at or support of political conferences or dinners must be pre-approved in writing by the Finance Director.

We do not permit the use or loan of our personnel or property for political party work or campaign activities.

9 CHARITABLE DONATIONS

While we are keen to support charities, particularly those in our local communities, donations to charity can be used as a means of paying bribes. Donations should only be given to reputable, legitimate and registered charities.

Because it is more difficult to verify non-UK registered charities, these rules must be followed.

- Check that the organisation you are making the donation to is a charity.
- We must ensure that charitable contributions and sponsorships are not used as a means for bribery.
- All non-UK charitable donations and sponsorships we give must be approved in advance by the Finance Director and Division President.

Any donations to non-UK charities we make (or are made on our behalf), and whether made in cash or by contribution to charitable events, publications or fund raising initiatives, must be approved in writing in advance by the Finance Director and Division President.

If any public official (whether in the UK or abroad) asks us to make a charitable contribution this information should be provided to the Finance Director as soon as possible.

10 BOOKKEEPING AND ACCOUNTING

- **Books, records and accounts must be kept which accurately and fairly reflect all transactions.**

In accordance our normal business practice, Employees must not make, approve, or process any payment which relates to our business with the intention, understanding or suspicion that any part of the payment is to be used for any purpose other than that described by the documents supporting the payment. No “off the books” or unrecorded funds or accounts are permitted. The finance team is responsible for keeping accurate and fair records, but all Employees must make sure the information they give to them is correct.

Examples of prohibited record keeping activities include:

- making records appearing to show a payment to one person when in fact the payment was made to, or was intended for, someone else.
- submitting inaccurate expenses.
- records that inaccurately characterise or inaccurately describe the true nature of transactions or payments (for example, recording a bribe as a “commission” or “marketing expenses”, or a payment as an “overhead expense” instead of a “commission”)
- claims for services, products or equipment not received.
- creating or maintaining any unrecorded funds or assets of the company, including unrecorded “petty cash”.

11 REPORTING SUSPECTED NON-COMPLIANCE

All Employees must report any breaches or potential breaches of the Anti-Bribery Policy & Procedures as soon as possible. You should use one of the following methods:

- Open Door Communications. This is the most direct way to voice any concern to a manager. If you believe your immediate manager is involved in the problem, discuss the issue with the next level of management who is not involved, or use one of the other resources.
- Contact the Corporate Operation Honesty Hotline on +1 800 888 4258.

We will take all reported concerns seriously and will confidentially investigate to determine if the law or the Anti-Bribery Policy & Guidelines have been contravened.

Any employee who, in good faith, reports suspected legal, ethical, or policy breaches will not suffer any adverse consequences for having done so.

If you report a suspected breach or bribery concern, we will make every effort to keep your identity private.

12 EFFECTIVE MONITORING AND INTERNAL CONTROL

Our businesses must all maintain an effective system of internal control and monitoring of our transactions. The Finance Director will set an annual monitoring plan which will include periodic reviews by Division Internal Audit of anti-bribery compliance.

13 CONSEQUENCES OF NON-COMPLIANCE

We may take appropriate disciplinary action, up to and including termination of employment, against any Employee who fails to comply with the Anti-Bribery Policy & Procedures, or applicable laws. In addition, an employee who breaks the law may face criminal proceedings, fines or imprisonment.

In all cases of non-compliance we may report the relevant non-compliance to the relevant authorities.

Employees who raise concerns about non-compliance will not be dismissed, demoted or otherwise discriminated against for raising those concerns.