

SMART'S ETHICS POLICY

BACKGROUND

SMART'S code of ethics requires compliance with the law of the UK. Our standards go beyond the legal minimum and require a high level of conduct. SMART'S employees and contractors are expected to comply with all UK laws affecting our business, and to act in every respect with honesty, fairness and integrity.

The ethical code described should be regarded as more than a set of rules. It is a statement of beliefs that should guide employees' conduct in most situations. You can resolve most ethical questions in your workplace by taking time to consider whether you are acting fairly and honestly towards your fellow employees, the customer, suppliers and general public who rely on our Company.

Positive Responsibilities

Each SMART employee / Contractor / Associate has an individual responsibility to deal ethically with our customers and suppliers, fellow employees and the general public. All employees are expected to do more than merely avoid unethical conduct. They must also take the initiative and assume positive responsibilities for quality, honesty and fairness. Employees are expected to raise ethical concerns and report any actual or suspected ethical misconduct to their Manager or Director as appropriate. Honesty also requires that employees refuse to participate either actively or passively in any cover-up of such misconduct. Each employee is expected to cooperate fully in any investigation of ethical matters by SMART. 'Looking the other way' on potential ethical questions is in direct contradiction to SMART'S commitment to honesty and integrity and is not acceptable.

Conflicts of Interest

Employees, their spouses/partners and other close family members are expected to avoid outside interests or activities that could be advanced at the expense of SMART'S interests. Such involvement may divide an employee's loyalty between SMART and the outside interest and create a potential conflict of interest. Non-SMART business involvement with a competitor, supplier or customer is strictly prohibited. Such interest could affect an employee's objectivity in the promotion of SMART interests. Employees may not work for or provide advice or consulting services to a competitor, supplier or customer. Employees should not run any side business in their free time which will compete with, sell to, or buy from SMART and should avoid any financial investments in competitors, suppliers or customers other than nominal investments in public companies.

Receipt of Gifts

Gifts from suppliers, customers or competitors to SMART employees raise the appearance, if not the reality, of dishonest or unfair dealings. It is SMART'S policy that all business decisions be made impartially and fairly, and not on the basis of gratuities offered to employees. No employee, or any of his or her family, may solicit or receive favours, gifts, loans or other benefits (including service and discounts as well as material goods) from any supplier, customer or competitor. The only exception to this policy is that employees may receive reasonable hospitality and gifts (other than money) of nominal value which are customarily offered to others having a similar relationship with the supplier, customer or competitor. SMART employees should exercise good judgement in deciding whether to accept a gifts of nominal value or reasonable hospitality and should resolve all doubts and questions in favour of declining to accept the offer.

Use of SMART Resources

Each of us has a responsibility to use SMART resources, including time, materials, equipment and proprietary information for SMART business purposes only and not for personal benefit. Any such personal use, without proper permission amounts to theft. SMART property, such as stock, equipment and tools, office materials and facilities, are not to be used by employees other than for SMART purposes.

All employee requests for reimbursement from SMART whether for travel expenses or other business-related items must be legitimate, properly documented and in accordance with policy. All employees receive SMART'S business and technical information and know-how in trust and are expected to maintain such information in confidence and not disclose or use it other than for SMART business and for SMART benefit. This information includes, for example, names of customers, suppliers, employees, processes and equipment,, business plans, financial and marketing information and all documents and data which relate to such items. All of SMART'S business and technical information and know-how is a part of the value of the SMART. Employees / Contractors are expected actively to protect these assets. Persons who use any of this information for their own personal gain or give or sell this information to outsiders will be dismissed and may be subject to Court proceedings.

Entertainment and Gratuities

SMART believes that business decisions by its customers should be made solely on the basis of SMART'S quality, service, price and other competitive factors. Gifts of nominal value and reasonable hospitality may be offered for the purpose of promoting SMART'S image, presenting its goods and services and promoting good relations with business partners. If the gifts and hospitality go beyond this and make the customer feel obligated to offer any special consideration to SMART, they are unacceptable. Gifts and hospitality must not be used with the intention of persuading anyone to act improperly or to influence an official in the performance of his duties. SMART'S policy is to avoid even the appearance of improper conduct.

Employees must exercise good judgement and moderation. Special consideration must be given in the case of gifts or entertainment offered to "government" employees. Many government agencies have strict rules which prohibit employees from accepting even the smallest business gifts. These rules may also apply to government prime contractors. It is SMART'S policy that no financial or other advantage should be offered to any public official with the intention of influencing the official in the performance of his duties. Where there is any doubt about whether a gift or the provision of hospitality is appropriate no gifts or hospitality should be provided.

Payments to Third Parties

Payments should be made by SMART to third parties only for services or products properly provided to SMART. No SMART employee shall make any direct or indirect payment in the nature of a bribe or payoff to secure or maintain business or for any other purpose to any government employee or the personnel of any customer, supplier or competitor. In order to avoid even the appearance of improper payments, no payments are to be made by SMART in cash, other than documented petty cash disbursements. No cheques are to be written to 'cash' , 'bearer', or third party designees of the person entitled to payment. Cash payments may never be made to employees of competitors, suppliers, customers or government agencies. Payments to employees, agents, consultants or others outside their country of residence are prohibited where they violate the laws of that country.

Marketing Practices

SMART'S policy is to comply with all competition and trade regulation laws and to use only ethical and proper methods to market SMART products. All SMART customers will be treated fairly and even-handedly, and no preferential trade terms or other treatment will be extended to any customer in violation of any law. To avoid the appearance of improper action, SMART absolutely prohibits consultations with competitors regarding prices, customers or territories. Commissions and other payments must be adequately documented and reported to government authorities as required. Advertising must always be in good taste. All claims made in advertisements must be fully supportable.

Environmental Protection

SMART fully supports the belief that each of us has a responsibility to protect the environment and human health and welfare. It is imperative that each SMART employee/Contractor/Associate accepts responsibility for the observance of laws and regulations governing the protection of the environment and human health. No individual will knowingly buy for use at SMART, or dispose of, other than in accordance with the law, any chemical or other substance which is illegal. Managers are expected to keep up to date with all relevant laws and regulations concerning the protection of the environment, to seek professional guidance when necessary, and to assure observation of the laws and regulations. SMART will continue to seek alternatives to hazardous methods, substances or products to assure protection of the environment and personal safety. Individuals who knowingly violate any environmental law or regulation will be subject to dismissal. Accidental incidents which affect the environment are to be reported immediately to senior management.

Responsibilities to Employees

SMART believes that all of its employee/Contractor/Associate should have a safe work place and equal opportunities for promotion and advancement. SMART will comply with all Health, Safety, Equal Opportunities legislation and other similar laws and regulations. SMART is committed to maintaining safe working conditions in all of its sites. Employees are expected to assume individual responsibility for safety procedures, following all necessary precautions, avoiding any activity that might endanger themselves or fellow employee/Contractor/Associate, and notifying supervisors and management of any potentially dangerous conditions in the workplace. Management and supervisors are expected promptly to correct any serious safety hazards and to stop any production process involved until the hazard has been corrected. SMART'S policy is that all of its employees will enjoy a work environment free from sexual harassment. Sexual harassment is totally unacceptable and will not be tolerated. Sexual harassment includes unwelcome sexual advances or requests for sexual favours and the creation of an intimidating, hostile or offensive work environment through unwelcome sexual conversations, advances, jokes or suggestive objects or pictures. Any complaint of sexual harassment will be immediately investigated and appropriate action, which may include dismissal.

Use of Alcohol and Drugs

SMART is strongly committed to the prevention of illegal activities, and to the protection of its employees, SMART property and the public from any danger which might result from the use of drugs or alcohol. It is our policy to provide a safe drug-free and alcohol-free work environment. In the workplace, drug and alcohol abuse can create hazardous situations, lower productivity and can cause potential problems with outsiders with whom SMART does business. We must ensure we maintain the reputation of SMART and its people as good, responsible citizens. Use or possession of illegal drugs or alcohol during working hours or on SMART premises or its customer's sites is strictly forbidden, and is cause for discipline up to and including dismissal. Employees reporting to work under the influence of drugs or alcohol are subject to discipline up to and including dismissal. It is the policy of SMART to provide assistance to employees who seek help in overcoming any addiction to or dependence upon alcohol or drugs. Volunteering to participate in an employee assistance programme will not necessarily prevent disciplinary action for violations of the policy which have already occurred.

Reporting Practices and Financial Information

Whilst honest differences of opinion are expected, and can indeed be useful in examining all sides of an issue, we must base our action on facts, logic and fair play. We cannot use shaded opinions or distorted facts to justify actions, nor should we allow facts or opinions to be covered up to make a situation look different from what it really is. Employee/Contractor/Associate are responsible for ensuring the accuracy and reliability of the SMART accounts. Fictitious, improper, deceptive, undisclosed or unrecorded accounts of funds or assets are a serious ethical abuse and illegal. It is the policy of SMART that all accounts and records conform to accepted accounting principles and to all applicable laws and regulations. All transactions must be accurately documented and accounted for in the accounts and records. All entries must contain appropriate descriptions of the underlying transactions and no false or deceptive entries shall be made. No employee / Contractors shall enter into any transaction with the understanding that it is other than as described in the supporting documentation.

Industry Regulation

It is in all employee/Contractor/Associate interests to make a positive contribution to the reputation of our industry by supporting the industry's education and community relations programmes etc. as appropriate. Employees should also avoid all forms of publicity that will reflect negatively on the industry e.g. by refraining from disparaging or slandering our competitors and their products or services.

Human Rights and Ethical Trading

SMART is committed to human rights and ethical trading in its business activities and employment practices. SMART will:

- conduct its business with integrity, recognising the economic, social, cultural, political and civil rights of those involved in the company's operations and respecting the different cultures and the dignity and rights of individuals in the countries where it operates;
- comply with UK law and be guided by the general principles of international law, especially for the purposes of this policy with respect to human rights;
- accept that we have an obligation to promote respect for and observance of human rights and fundamental freedoms for all, without distinction as to race, creed, colour, nationality, ethnic origin, age, religion or similar belief, political affiliation, gender, gender reassignment, sexual orientation, marital status, family connections, membership or non-membership of a trade union disability or any other group;
- not employ underage staff;
- encourage suppliers and subcontractors to abide by the same principles;
- ensure that for staff, subcontractors, and suppliers, the terms of engagement will be clear, fair and reasonable in comparison with those offered by similar companies;
- strive, at all times, to provide customers with the standards of products and services that have been agreed.

APPLICATION OF THE CODE

All employees are expected to be familiar with and to observe the ethical standards outlined in this code. Abuse of SMART'S ethical code may be grounds for dismissal and the abuser could be subject to legal action. Managers are responsible for ensuring the application of this ethical code by monitoring and enforcing the code within their areas. Application of the Code will be one of the performance standards by which all managers will be measured. All of SMART'S managers are expected to lead by example and communicate a real concern for the observance of these ethical guidelines.

SMART has established a secure email address which allows all employees to express any concerns, issues, complaints in a confidential manner. All comments received will be reviewed and investigated by the Managing Director. They will be investigated fully and treated sensitively and confidentially. The email address is: rsolts@smartplc.com

PERSONAL RESPONSIBILITY

Each of us should take pride in the high standard of conduct that has always identified us as SMART employees. Let us resolve together to continue to be a Group which will tolerate nothing less than complete honesty, fairness and integrity in our dealings with all individuals, social groups, businesses and government institutions that depend on us.

END

Russell Solts
MANAGING DIRECTOR

July 2012