

**Schedule 2 to witness statement of Paul Dacre**

**Steps taken to ensure compliance with the Bribery Act 2010 and procedures and policies  
in respect of payments for information**

1. The Daily Mail and General Trust plc ("DMGT") took very seriously the issue of ensuring that structures and procedures were in place across DMGT to ensure compliance with the Bribery Act 2010 when it came into force and ongoing compliance. The DMGT Risk Committee carried out a risk assessment across the whole DMGT group during 2010. With regards to ANL, the Committee was assisted in this review by the Head of Editorial Legal Services, Liz Hartley. Freshfields LLP assisted the Risk Committee with the review across the rest of the DMGT group. In June 2011 three workshops were held by Freshfields LLP for DMGT senior management to consider the implications of the new Act and the organisation's new procedures and policies to counter the risk of bribery.
2. In July 2011 the DMGT Code of Conduct was updated to reflect employees' responsibilities in relation to anti-bribery and corruption and was supported by a set of new group-wide anti-bribery procedures, including policies regarding entertainment and gifts and for dealing with third parties.
3. The updated Code of Conduct provides that all full-time, part-time and fixed term employees and other temporary workers must adhere to the Anti-Bribery and Corruption Policy and the accompanying Policy for Working with Third Parties and the Entertainment and Gifts Policy and must promptly report any concerns or violations. There is available to all DMGT employees an independent "Speak-Up" facility by which employees can report in confidence any concerns about improper conduct.
4. The Anti-Bribery and Corruption Policy provided a detailed explanation of the Bribery Act, including the offences under the Act in respect of individuals and the corporate criminal offence of failure by a commercial organisation to prevent a bribe being paid on its behalf.
5. In July 2011 the standard form wording in relation to all new ANL employment contracts for staff journalists was amended to require compliance with the requirements of DMGT's updated Code of Conduct, Anti-Bribery and Corruption Policy and the accompanying policies. From July 2011 all editorial staff on joining ANL are provided with a copy of the Editors' Code and a letter informing them about their obligations regarding payments to third parties and the

provisions of the Bribery Act; also, links to the ANL staff handbook and the DMGT Code of Conduct have been placed in prominent positions on the staff intranet homepage.

6. On 13 July 2011 and 9 August 2011 training seminars on the effect of the Bribery Act were held for heads of department and the managing editors of the Daily Mail and The Mail on Sunday. The seminars were led by Jonathan Caplan QC and Ms Hartley. Attendance was compulsory. Heads of department were asked to circulate notes from the seminar to their departments to ensure that their departments understand the implications of the Bribery Act and the requirements of the new procedures. Specific training by Ms Hartley was also held for senior individuals. The training sessions are to be repeated for new joiners on a periodic basis.

*Revised policy on payments to third parties*

7. In July 2011 ANL introduced a revised procedure to apply to all payments made by editorial for news and information gathering purposes. This process was led and overseen by Liz Hartley who discussed and reviewed the proposals with the Editor-in-Chief, Peter Wright, Editor of The Mail on Sunday, Charles Garside, Assistant Editor of the Daily Mail and John Wellington, Managing Editor of The Mail on Sunday.
8. Prior to the implementation of the revised procedure in July 2011 all requests for payment (whether by cash, cheque or bank transfer) for news and information gathering purposes were subject to the following procedure. In summary: (i) all requests for payment had to receive prior approval from department heads or in certain circumstances, in particular where the sum exceeded the department head's authority level, other nominated senior editorial executives; (ii) all approved payments were recorded and counter-signed by the managing editors; (iii) prior approval was not required in respect of payments made by senior reporters below a de minimus level (however, the payment must nonetheless be documented, approved and counter-signed by the managing editors); (iv) only a very small number of cash payments were made and only by those departments who needed to do so; (v) where the request was for payment in cash the department head had to be satisfied that there was an acceptable reason; and (vi) all payments for information must comply with the Editors' Code of Practice and to contractual stipulations issued by the Editors, for example, from April 2007 any payments to private investigators were expressly prohibited.
9. At the start of July 2011 Mr Garside and John Wellington wrote to all staff, contributors and freelancers at the Daily Mail and The Mail on Sunday to reinforce to them their obligations in

relation to payments and inform them of the introduction of a revised procedure for payments for news and information gathering and all cash payments. The letter reminded staff and freelancers of the existing procedure for all requests for payment for news and information gathering purposes, and stipulated that under the new procedure the reason for payment must be documented, including if appropriate the nature of any public interest. The letter explained that the Bribery Act would apply to information provided in breach of an employer's duty of confidentiality, for example in the case of whistle-blowers, and that care would need to be taken to consider and record the public interest elements of the information. The letter included a link to the electronic circular issued by the Ministry of Justice in respect of the Bribery Act.

10. On 29 July 2011 Mr Garside distributed by email to all heads of department and senior executives a new pro forma payment approval form to be used for (i) payments for news and information gathering purposes and (ii) all cash payments, and a briefing note explaining the use of the pro forma form. The guidance note stated that the form must be completed in respect of all *"requests for payment made by [ANL's] journalists and freelance staff on a retainer or for freelance stories if an individual is told or it is obvious from the information supplied that they require part of the payment in order to pay others for information"*.