



Code of Ethics and Business Conduct

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REED ELSEVIER CODE OF ETHICS AND BUSINESS CONDUCT

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1. Introduction

This Code of Ethics and Business Conduct (“Code”) applies to all employees, officers and directors of Reed Elsevier (collectively referred to as “employees”), including every one of its subsidiaries, divisions and business units worldwide. Individual Reed Elsevier businesses may supplement the Code with additional policies and/or provisions necessary to comply with local law or applicable collective bargaining agreements.

2. General Statement of Business Philosophy

The commitment to excellence is fundamental to the philosophy of Reed Elsevier. This commitment to excellence means that employees share a common set of objectives and benefit from the achievement of those objectives. We also are committed to the Core Values of Customer Focus, Valuing Our People, Passion for Winning, Innovation and Boundarylessness, which together provide a guide for achieving our business goals in an open, honest, ethical and principled manner.

One essential objective is our conviction to uphold ethical standards in all our corporate activities. Among other ethical considerations, and as further discussed in the applicable sections below, Reed Elsevier has subscribed to the **United Nations Global Compact**, a voluntary corporate responsibility initiative intended to ensure the protection of human rights, fair and non-discriminatory labour practices, care of the environment and elimination of corruption. We strive to do business with customers and suppliers of sound business character and reputation. We do not knowingly support any public or private organisation that espouses discriminatory policies or practices. We require all our employees to perform their work with honesty, truthfulness and integrity. Reed Elsevier’s policy is to comply with all applicable laws, including, without limitation, employment, discrimination, health, safety, competition and securities laws. No employee has authority to violate any law or to direct another employee to violate any law on behalf of Reed Elsevier.

Each employee must comply with this Code and sign the appropriate Acknowledgement Form. Employees should direct any related questions to their immediate supervisor, a Human Resources representative, a member of the appropriate Compliance Committee or, where applicable, a member of the appropriate Legal Department. If an employee becomes aware that another employee has violated this Code or any applicable laws, rules or regulations, he or she must report the violation in accordance with procedures set forth below. Reed Elsevier prohibits retaliation against an employee who, in good faith, reports a possible violation. Failure to comply with any of the provisions of this Code or the additional policies or separate Code enforced for the applicable business unit or country subjects the employee to disciplinary measures up to and including termination, subject to the terms of any applicable employment contract or collective bargaining agreement.

3. Waivers and Modifications

In certain limited situations, Reed Elsevier may waive application of the Code to directors, officers or employees. With respect to executive officers, senior financial officers and directors, any such waiver requires the express approval of the Audit Committees of the Combined Boards of Directors of Reed Elsevier PLC and Reed Elsevier NV (referred to as the “Audit Committees”). Reed Elsevier promptly will disclose

any such waivers granted to any of its executive officers, senior financial officers or directors as required under applicable law and regulations.

4. Policies and Practices

4.1 Conflicts of Interest

A conflict of interest may arise in any situation in which an employee engages in any activity that detracts from or interferes with his or her full, loyal and timely performance of services to Reed Elsevier, or has a financial interest that might influence the employee's judgment on behalf of Reed Elsevier. All such conflicts should be avoided. Employees must report any actual, potential or apparent conflicts to their supervisors, a Human Resources representative or a Compliance Committee member. As Reed Elsevier deems it appropriate, employees may be required to eliminate existing or apparent conflicts of interest. Some of the more sensitive areas of potential conflicts of interest and the company's related guidelines are as follows:

4.1.1 Acceptance of Gifts and Entertainment

Reed Elsevier's aim is to deter givers of gifts from seeking or receiving special favours from its employees. Accepting any gift of more than nominal value or entertainment that is more than a routine social amenity can appear to be an attempt to influence the recipient into favouring a particular customer, vendor, consultant or other parties with whom Reed Elsevier does business. To avoid the reality and the appearance of improper relations with current or prospective customers, vendors, consultants and other business associates, employees should observe the following guidelines when deciding whether or not to accept gifts or entertainment. (For guidelines concerning the giving of gifts to, or entertainment of, customers and others by Reed Elsevier employees, refer to paragraph 4.5 and 4.6 below.)

4.1.1.1 Gifts

Employees must not accept gifts such as merchandise or products, personal services or favours that are valued at more than £100 or local currency equivalent. This limit is intended to serve as a maximum, and employees are urged to use caution in accepting any gifts of more than nominal value. Employees are not to solicit gifts of any amount, nor accept any gift of cash or securities.

In some countries, it is customary and lawful for business leaders to give gifts of more than nominal value to employees of companies with whom they do business. Any Reed Elsevier employee who receives such a gift and who is concerned that either returning the gift or paying for it may insult the giver and adversely effect continuing business relationships must report it to his or her supervisor. Reed Elsevier has sole discretion to choose to keep any such gift rather than allow an employee to do so.

4.1.1.2 Entertainment

Acceptance of normal business entertainment such as lunch, dinner, theatre, a sporting event, and the like, generally is appropriate if it is of a reasonable nature and is in the course of a meeting or another occasion, the purpose of which is to hold bona fide business discussions or to foster better business relations. Employees are to report any such entertainment (in advance, if practical) to their supervisors.

4.1.1.3 Other Improper Personal Benefit

If an employee receives other improper personal benefit as a result of his or her position with Reed Elsevier, he or she must report it to the appropriate supervisor.

4.1.2 Outside Activities

No employee is to engage in any "freelance" or "moonlighting" activity or employment that adversely affects the quality or quantity of work performed; competes with Reed Elsevier's activities; implies sponsorship or support by Reed Elsevier of the outside employment or organisation; or adversely affects Reed Elsevier's reputation; or makes use of or interferes with Reed Elsevier's time, facilities, resources or supplies.

4.1.3 Interests in Other Businesses

It is a potential conflict of interest for an employee or his or her spouse, domestic partner or any other immediate family member (jointly referred to as "family members") to directly or indirectly have a financial interest (e.g., as an investor, lender or director) in a competitor, or in a customer or supplier with whom that employee or his or her subordinates deal in the course of his or her job with Reed Elsevier. Accordingly, employees must promptly disclose any such interests to their supervisor. In addition, an employee must disclose to his or her supervisor any employment or consulting relationship that a family member has with a competitor, or with a customer or supplier with whom the employee has dealings.

The only exception to this requirement is that it is not a conflict for an employee or any of his or her family members to invest less than seventy-five (75%) of the employee's annual compensation in competitors, or customers or suppliers with whom an employee deals directly, that are listed on a national or international securities exchange. Employees who acquire more significant holdings before becoming a Company employee or through appreciation and growth, must disclose such holdings to and receive written approval from their supervisor.

4.1.4 Corporate Opportunities

Employees have a duty to advance Reed Elsevier's legitimate interests when the opportunity to do so arises. They may not take personal advantage of opportunities that are discovered through the use of company property, information or position.

4.1.5 Nepotism Disclosure

Reed Elsevier does not strictly prohibit the employment of relatives, and it does not wish to become involved in consensual relationships between co-workers. However, precautions must be taken to ensure that individuals are not and do not appear to be improperly influenced by the existence of close personal relationships. In particular, employees may not directly supervise or otherwise participate in decisions regarding the hiring, retention, promotion or compensation of other employees with whom they have a close personal relationship. Reed Elsevier construes "close personal relationships" as relationships between immediate family members, spouses, domestic partners, fiancés, children, grandchildren, siblings, parents, grandparents, aunts, uncles, nieces, nephews, and their respective spouses and domestic partners, and any other relationships that reasonably might be perceived as potentially compromising either employee's ability to make independent, unbiased decisions on behalf of Reed Elsevier.

4.2 Company Property and Information

All equipment, supplies and confidential information to which employees have access in the course of their work are Reed Elsevier's property and are provided for use in conducting Reed Elsevier business. Employees must use such property responsibly and solely for business purposes. Although limited and reasonable personal use of a

Reed Elsevier telephone, computer or other equipment may be acceptable and understandable at times, this is a privilege that Reed Elsevier reserves the right to control and monitor in accordance with local data protection laws.

4.2.1 Theft or Misuse of Property

Any employee found to be engaging in, or attempting, theft or misuse of any property of Reed Elsevier or personal property of other employees will be subject to strict disciplinary action, up to and including termination. Reed Elsevier also reserves the right to refer such matters to public authorities for possible criminal prosecution.

Employee theft or misuse of property can take many forms, including, but not limited to stealing Reed Elsevier supplies, equipment, documents, cash or other tangible property; misusing Reed Elsevier telephones, computers, photocopy machines, facsimile machines or other equipment; submitting falsified time sheets or expense reports; using Reed Elsevier's proprietary information, trade secrets or other assets without authority; and retaining any personal benefit from a customer, supplier or other person with whom Reed Elsevier does business that properly belongs to Reed Elsevier.

4.2.2 Company Records

Employees must prepare all Reed Elsevier records to properly record its transactions, assets and liabilities, and must maintain and safeguard such records and supporting documentation in accordance with Reed Elsevier's policies and applicable legal and accounting requirements.

4.2.2.1 Preparation of Records

Employees must maintain books, records, accounts and supporting documentation that fully and accurately reflect all Reed Elsevier transactions, revenues, receipts, disbursements, assets and liabilities. Any employee who knowingly fails to record any fund or asset of Reed Elsevier or who knowingly makes any improper or inaccurate entry on Reed Elsevier books and records will be subject to discipline, up to and including discharge. Employees also face potential criminal liability if they maintain inaccurate books and records on behalf of Reed Elsevier.

4.2.2.2 Retention of Records

There are legal requirements for the retention of specific categories of records. To ensure compliance with these laws, and to conserve space and limit storage costs, records in any medium must be retained and/or discarded in accordance with Reed Elsevier's Record Retention Policy, as well as any supplemental Record Retention Schedule of the appropriate business unit. Among other media, this includes hard copies of documents; computer records, such as those stored in a hard drive, on disk or CD-ROM and e-mail messages; and recorded materials, such as voice mail messages and audiotapes. Employees must consult with their supervisor before disposing of any records about which they have any questions.

If Reed Elsevier becomes involved in an actual or threatened lawsuit or government investigation, if it is served with a subpoena for documents or information, or if such a proceeding or subpoena is reasonably foreseeable, all possibly relevant records in any form must be preserved, with ordinary disposal or alteration of documents pertaining to the subjects of the dispute, investigation or subpoena immediately suspended. Employees are to contact the appropriate Legal Department if they are uncertain whether documents under their control might relate to a threatened or pending legal matter and, therefore, must be preserved.

4.2.3 E-Mail, Voice Mail and the Internet

All communications and information transmitted by, received from, created or stored in Reed Elsevier's computer, telecommunications and information systems (collectively "systems") are Reed Elsevier property. Every employee is responsible for using Reed Elsevier's systems properly and in accordance Reed Elsevier's policies.

4.2.3.1 Appropriate Use

While Reed Elsevier systems are intended for business purposes, employees may be permitted to use those systems for limited non-business purposes, provided that such usage does not interfere with the employee's obligations to Reed Elsevier or disturb either other employees or the general affairs of Reed Elsevier. Employees must never use Reed Elsevier's systems or equipment to:

- (i) Send or intentionally receive messages or transmit, retrieve or store information that is sexually explicit, abusive, offensive, harassing, discriminatory or profane;
- (ii) Send or intentionally receive or store information that involves an increased virus dissemination risk;
- (ii) Send or intentionally receive copyrighted materials, trade secrets or similar materials without proper authority or infringe the rights of third parties; or
- (iii) Send or intentionally receive messages or files for any illegal or unethical purpose, or for any purpose that violates Reed Elsevier's policies or may lead to liability or cause harm to Reed Elsevier.

4.2.3.2 Privacy

Reed Elsevier complies with the privacy and data protection standards applicable to employees' respective countries of employment. Employees in the United States should have no expectation of privacy in anything they create, store, send or receive on the systems. Even in countries with high standards, however, employees should be cautioned that Reed Elsevier cannot guarantee the confidentiality of employees' usage of the systems. E-mail and voice mail messages and internet usage are potentially subject to interception and to disclosure to third parties in the course of litigation or an investigation. In addition, subject to applicable law, Reed Elsevier may monitor employee use of its systems for legitimate business purposes, including, for example, to prevent suspected illegal conduct or other misuse of the systems or to ensure that Reed Elsevier is properly responding to its customers and other business contacts.

4.2.4 Intellectual Property and Proprietary and Confidential Information

Employees must safeguard Reed Elsevier's proprietary information, trade secrets and intellectual property (including copyrights, trademarks and patents) in the same way that they must protect all other important Reed Elsevier assets. Employees must hold in the strictest confidence information concerning pricing, products and services that are being developed, and other such trade secrets, including information pertaining to any prospective Reed Elsevier acquisition or divestiture. Employees must exercise reasonable prudence and care in dealing with such information in order to avoid inappropriate disclosure, and they are not to use this type of information in any way other than as required in performing their employment duties.

All documents, files, records and reports acquired or created in the course of employment with Reed Elsevier are the property of Reed Elsevier. Employees may only remove originals or copies of such property from Reed Elsevier's offices for the sole purpose of performing their duties to Reed Elsevier, and they must return such records at any time upon request. Employees involved in acquisition and divestiture activities may be required to sign individual non-disclosure agreements.

Reed Elsevier periodically possesses intellectual property, trade secrets and/or confidential or proprietary information belonging to other parties, such as copyrighted information obtained pursuant to a licence agreement or information obtained in the course of a proposed acquisition. Employees are cautioned that the use of any such materials must be in accordance with the terms of any applicable agreement and in compliance with the laws regulating the use of such materials.

4.2.5 Solicitation and Distribution

Reed Elsevier property, equipment, facilities or physical resources may not be used for solicitation or distribution activities that are not related to an employee's services to Reed Elsevier, except for solicitation permitted by applicable labour laws and charitable activities that have been approved in writing in advance by the appropriate Human Resources Department. Even with such prior written approval, employees may not solicit any other employee during working time or distribute literature on Reed Elsevier premises at any time for any non-employment related purposes.

4.2.6 Contacts with the Media and the Financial Community

To ensure that all reports and press releases Reed Elsevier issues are supplied to the public in an authoritative and consistent manner, employees must comply with the Reed Elsevier Price Sensitive Information ("PSI") Guidelines and they must not provide information or respond to inquiries from the media or the financial community without proper authority, as described below.

Employees of all levels must refer any media inquiries regarding Reed Elsevier Group plc, PSI or financial information to the Reed Elsevier Corporate Relations Department. Each Reed Elsevier business unit is to implement policies and procedures concerning responding to media inquiries related to that business.

Employees of all levels are to refer any inquiries from financial institutions, brokers, analysts, commentators, shareholders or other members of the financial or investment communities to the Reed Elsevier Corporate Finance Department. This includes any request for information or for permission to visit any part of Reed Elsevier.

4.2.7 Requests for Information by Lawyers and Government Agencies

Employees who are contacted by lawyers who do not represent the company, government agents, investigators or other third parties seeking company information or documents concerning potential or actual litigation or investigations are to immediately notify the appropriate Legal Department, whether or not the request relates to a matter involving the company. Immediate referral to the Legal Department is critical when requests are made in the form of a summons, subpoena or other document legally requiring that an appearance be made or a response be given by a specified date. The Legal Department will assess the situation, advise employees and determine the appropriate response.

4.2.8 Company Political Involvement

The laws of most countries prohibit the use of corporate funds, assets, services or facilities on behalf of a political party or candidate. However, in the United States, such contributions and activities are permitted if they comply with stringent reporting and disclosure regulations. Accordingly, Reed Elsevier strictly prohibits employees from using corporate funds for any political contributions except in the United States.

In the United States, Reed Elsevier requires employees to obtain prior approval from the US General Counsel and the Vice President of Government Affairs of Reed Elsevier Inc. for any and all proposed political contributions. Employees must also obtain prior approval from the US General Counsel and the US CEO of the relevant business for any proposed contributions exceeding \$5,000, either individually or cumulatively, to any candidate or political organisation in a calendar year. In addition, employees in the United States must comply with the disclosure and reporting procedures established by the Government Affairs Department. Employees who participate in the political process express their views on legislative or political matters, engage in political activities and/or make personal political contributions must conduct such activities in their own time and at their own expense.

Without the prior approval of the appropriate Government Affairs or Legal Department, employees who participate in political activities or make any public political statements must avoid any references to their affiliation with Reed Elsevier or any of its subsidiaries and make clear that they are acting personally and not for Reed Elsevier.

4.3 Fraud and False Statements

Employees must not defraud or attempt to defraud any customer, supplier, shareholder, auditor or other person with whom Reed Elsevier communicates or does business. In particular, employees must not intentionally or recklessly make false or misleading statements or knowingly omit important statements or information, either orally or in writing, about Reed Elsevier's products, services and financial condition. Employees who communicate with Reed Elsevier internal or external auditors also must be sure to provide all information needed in connection with preparing audit reports, and to correct any apparent misinterpretation of that information before publication of related reports. Any employee found to be attempting fraud or engaging in fraud will be subject to strict disciplinary action, up to and including termination. Reed Elsevier also reserves the right to refer such matters to public authorities for possible criminal prosecution

4.3.1 Securities Fraud

It is illegal to defraud or attempt to defraud anyone in connection with the securities of a publicly-traded company. This includes the securities of Reed Elsevier and of other companies about which an employee learns of material non-public information in the course of his or her employment with Reed Elsevier. For example, it is illegal to provide the public with false or misleading material information about Reed Elsevier or another public company; to fail to provide the public with material information about which it should be aware (subject to the requirements of Reed Elsevier's policy on contacts with the media and the financial community, as described above in paragraph 4.2.6); to buy or sell securities based on material non-public information; or to provide such information to others who might use it to buy or sell securities. Applicable laws impose severe penalties on violators of these laws, including criminal and civil fines and potential jail sentences.

Material, non-public information (referred to as "inside information") includes any facts that may affect the price of the securities and/or which a reasonable investor would consider important in deciding whether to purchase or sell shares of stock or other securities of Reed Elsevier or other publicly traded company. Such information is non-public if it has not been disclosed in an annual or periodic report to shareholders, a press release, or in public filings with regulatory authorities. When in doubt, information

obtained as an employee of Reed Elsevier should be presumed to be material and not public.

Employees who have questions pertaining to the sale or purchase of a security under circumstances where confidential information or securities laws may be involved should consult with the appropriate Legal Department before trading the relevant securities. Where applicable, employees also must comply with the Reed Elsevier Code for Share Dealings before trading securities of Reed Elsevier PLC or Reed Elsevier NV.

4.4 Competition and Antitrust laws

The European Union and its individual member states, the United States federal and state governments, and many other governments throughout the world have enacted "competition" or "antitrust" laws. These laws prohibit "restraints of trade", including certain types of agreements or conduct involving competitors, customers or suppliers in the applicable marketplace and certain types of conduct of a single company with a dominant market position. Their purpose is to ensure that markets for goods and services operate competitively and efficiently, so that customers enjoy the benefit of open competition among their suppliers, and sellers similarly benefit from competition among their purchasers. Violations of United States antitrust laws and the competition laws of some other jurisdictions are often treated as criminal acts that can result in felony convictions of both corporations and individuals, including large monetary fines and prison sentences. They can also lead to substantial civil liability significantly exceeding the economic damage caused or profits achieved by the illegal conduct or agreement. The potential civil and criminal fines and penalties for restraints of trade are particularly significant because Reed Elsevier and individual employees involved are subject to the competition or antitrust laws of any country in which their conduct has an economic effect.

Strict compliance with competition and antitrust laws around the world is essential. These laws are very complex. Some types of conduct are always illegal under certain competition and antitrust laws. Employees and other representatives of Reed Elsevier must avoid even the appearance of such conduct. Such conduct includes agreements or joint actions between competitors regarding prices, bids, product or territory allocations or divisions, selection of customers or suppliers, or limits on production, inventory or research and development; and agreements with customers or licensees regarding the minimum price at which they will resell Reed Elsevier's goods or services.

Some activities may be legal in some market situations and illegal in others. Some of these types of conduct involve agreements with third parties such as competitors, customers, suppliers, licensees or licensors. Others involve unilateral actions that may result in claims that Reed Elsevier has monopolised or attempted to monopolise a market. These types of conduct include predatory pricing (e.g. selling below cost); certain exclusive dealing arrangements; tying or bundling of separate products; termination of dealers, distributors or suppliers; price discrimination; monopolisation; agreements with customers or licensees regarding their maximum resale prices on Reed Elsevier's goods or services; and, under some circumstances, attempts to engage in many of these types of restrictive activities. Moreover, competition and antitrust laws and related trade regulations generally prohibit any unfair or deceptive trade practices or methods of competition, including, for example, misleading advertising, disparaging a competitor's product, harassing a competitor and stealing trade secrets or other confidential business information.

This Code is not intended as a comprehensive review of the numerous competition and antitrust laws that apply to Reed Elsevier's business dealings, and it is not a substitute for expert advice. If any employee has questions concerning a specific situation, he or she should contact the relevant Legal Department before taking action.

Employees should also refer to more detailed antitrust and competition law policies enforced by individual business units and/or for specific countries.

4.5 Bribery

Bribery occurs when anyone offers, solicits, gives, receives or accepts anything of value in exchange for favourable treatment by a company, government authority or official. It also occurs when a company secures an unfair advantage over its competitors through secret and corrupt dealings with prospective customers. Bribery is illegal, and any Reed Elsevier employee who elicits, participates in or condones a bribe, kickback, or other unlawful payment or attempts to participate in any such activity, will be subject to strict disciplinary action, up to and including termination. Reed Elsevier also reserves the right to refer such matters to public authorities for possible criminal prosecution.

4.6 Relationships with Public Officials

4.6.1 Doing Business with Government Agencies, Officials and Employees

Many laws impose strict rules governing business relationships, contract negotiations and contract terms with government agencies and their officials. All employees engaged in business with a governmental body, agency, official or employee must know and abide by those rules, violations of which may result in harsh penalties, suspension or disqualification from competing for government contracts, and even criminal prosecution. Employees must also conduct themselves in a manner that avoids any dealings that might be perceived as attempts to influence public officials in the performance of their official duties. Accordingly, unless allowed under applicable local law, employees must not provide, pay for, give or receive gifts or provide or pay for any meals, refreshments, travel or lodging for government employees or officials.

4.6.2 Working with Former Government Employees

Many laws restrict companies that do business with the government from hiring as an employee or retaining as a consultant a present or former government employee other than secretarial, clerical, or other similar grade employees. These restrictions also cover informal arrangements for prospective employment under certain circumstances. Therefore, employees must obtain written clearance from the relevant Legal Department before discussing proposed employment or retention with any current government employee or any former government employee who left the government within the past two years.

4.7 Contracting With Other Parties

In most circumstances, Reed Elsevier's policy is to formalise all agreements in writing. Employees may enter into agreements in accordance with the level of authorisation given and communicated to them by their manager. Where employees have no level of authorisation, they must not sign any agreement on behalf of Reed Elsevier without the approval of the appropriate Legal Department. Employees also must obtain the approval of the appropriate Legal Department before terminating any agreement before it is due to expire. The reason for this broad requirement is that even an agreement involving relatively minor amounts of money may contain inappropriate indemnification obligations or other contractual burdens, or raise troublesome competition issues or other concerns.

4.8 Advertising and Promotional Activities

False, misleading or deceptive advertising and related activities in the promotion and sale of products sold or offered by the company is prohibited. In addition, fair and accurate advertising and sales practices are critically important in preserving the company's goodwill and reputation with its customers and the general public.

Therefore, all advertising claims and other representations to customers and potential customers must be truthful and have a reasonable basis. In addition, all advertising claims, whether made in catalogues, brochures, leaflets, posters, newspapers, magazines or other print as well as non-print media, must be substantiated before publication or dissemination. There are also laws and regulations that apply to particular types of advertising and/or the advertisement of specific products or services.

Employees involved in the preparation or publication of advertising must seek advice from the appropriate Legal Department regarding any applicable laws and regulations to ensure compliance before disseminating advertising claims.

4.9 International Operations

Laws and customs vary throughout the world, but all employees must uphold the integrity of Reed Elsevier diligently in all nations. When conducting business in other countries, it is imperative that employees comply with applicable laws.

Employees should contact their relevant Legal Department if they have any questions concerning a specific situation. Employees in the United States should also refer to any more detailed policies enforced by the relevant business unit concerning conducting international business.

4.10 Labour and Employment

Reed Elsevier's labour and employment policies and practices are consistent with and are intended to ensure compliance with the principles of the **United Nations Global Compact** regarding fair and non-discriminatory labour practices, as follows:

1) Reed Elsevier is an equal employment opportunity employer. It is committed to providing a work environment where employees and applicants for employment are treated with respect and dignity and without regard to race, colour, creed, religion, national origin, gender, sexual orientation, marital status, age, disability, membership or application for membership in uniformed services, veteran status, the seeking of workers' compensation benefits, or any other category protected by law. Consistent with this policy, Reed Elsevier prohibits discrimination or harassment of any kind based on any of these protected characteristics.

2) Reed Elsevier prohibits any verbal or physical abuse, or the threat of it, and any other form of intimidation of or by employees in the course of their work. Among other types of abuse or intimidation, Reed Elsevier prohibits sexual harassment or harassment of any kind based upon any of the above mentioned protected characteristic. Sexual harassment refers to conduct of a sexual nature, either verbal or physical, that is unwelcome and that creates a hostile, offensive or coercive work environment. Reed Elsevier also will not tolerate retaliation of any kind against any employee who makes a good faith complaint of abuse, intimidation, discrimination or harassment or who assists in an investigation of such a complaint.

3) In each of the countries in which it operates, Reed Elsevier complies with applicable laws relating to employment and employment conditions. Reed Elsevier respects

employees' rights of freedom of association and representation either through trade unions, works councils or any other appropriate forum.

4) Reed Elsevier operates in many different countries with varying labour standards and conditions. Wherever we do business, we seek to ensure that Reed Elsevier and its vendors provide employees throughout the world with satisfactory working conditions and wages (taking into account local economies.), specifically prohibiting the exploitation of employees and the illegal hiring of child labour.

If any employee has any questions about the laws or Reed Elsevier policies governing labour and employee relation matters, he or she should contact the appropriate Human Resources or Legal Department. Employees also must comply with any applicable supplemental employment policies.

4.11 Safety

Reed Elsevier is committed to providing a safe workplace for all employees. In addition, there are laws and regulations that impose responsibility on Reed Elsevier to safeguard against safety and health hazards. For those reasons, employees and other persons who are present at Reed Elsevier facilities are required to follow all safety instructions and procedures that Reed Elsevier adopts. If employees have any questions about possible health and safety hazards at any Reed Elsevier facility, they should bring those questions to the attention of their supervisor as soon as possible.

Employees with questions about the laws or Reed Elsevier policies governing workplace safety should consult the applicable divisional intranet or employee handbook, or contact the appropriate Human Resources or Legal Department.

4.12 Human Rights

Reed Elsevier is committed to ensuring compliance with the principles of the **United Nations Global Compact** related to protection of human rights. Specifically, Reed Elsevier supports and respects international human rights within the Company's sphere of influence. Reed Elsevier also seeks to ensure that the Company is not complicit in human rights abuses.

4.13 The Environment

Reed Elsevier recognises that its businesses have an impact on the environment, principally through the use of energy and paper, the use of print and production technologies and the recycling of waste. Reed Elsevier is committed to ensuring that this impact is reduced where practicable and to abiding by the three principles on the environment that are set out in the **United Nations Global Compact**: 1) to support a precautionary approach to environmental changes; 2) to undertake initiatives to promote greater environmental responsibility; and 3) to encourage the development and diffusion of environmentally friendly technologies. To satisfy this commitment, Reed Elsevier seeks to ensure that the resources and materials used by our businesses are sustainable, are capable of being recycled and are used effectively with the minimum of waste; that where practicable, we utilise technologies, materials and processes which do not have an adverse impact on the environment and, where such impact is unavoidable, it is minimised; and that our suppliers and contractors have the same objectives.

The global CEOs responsible for each of our four business divisions are accountable for ensuring compliance with the policy and with any environmental regulations applicable to

any of our businesses. The Chief Executive Officer of Reed Elsevier Group plc will report to the Board each year on the environmental performance of our businesses compared with targets and subject to external validation as appropriate.

5. Compliance with the Code of Ethics and Business Conduct

All employees have a responsibility to understand and follow the Code. In addition, all employees are expected to perform their work with honesty and integrity in any areas not specifically addressed by the Code. A violation of the Code may result in appropriate disciplinary action including the possible termination from employment with Reed Elsevier, without additional warning.

The Code sets out general principles to guide employees in making ethical decisions, and they cannot and are not intended to address every specific situation. As such, nothing in the Code prohibits or restricts Reed Elsevier from taking any disciplinary action on any matters pertaining to employee conduct, whether or not they are expressly discussed in this document. The Code is not intended to create any expressed or implied contract with any employee or third party. In particular, nothing in this document creates any employment contract between Reed Elsevier and any of its employees.

The Board of Directors of Reed Elsevier Group plc is responsible for the final interpretation of the Code. That Board may revise, change or amend the Code at any time, subject to the terms of any applicable collective bargaining agreements or local legislation.

6. Reporting Suspected Non-Compliance

6.1 Duty to Report

Employees are to promptly report any suspected violations of the Code (including any concerns regarding questionable accounting, internal accounting controls or auditing matters) or of applicable laws, rules or regulations by any Reed Elsevier employee or agent to their supervisor, a member of the applicable Human Resources or Legal Department or to the appropriate Compliance Committee. Employees in the United States also may report violations through the Reed Elsevier Confidential Line at (800) 883-8501 or <http://www.ReedElsevierConfidentialLine.com>.

Employees are required to make such reports regardless of the identity or position of the suspected offender. Reporting suspected violations of the Code or of the law is particularly important because failure to report criminal activity can itself be considered a crime. Failure to report knowledge of wrongdoing may result in disciplinary action against those who fail to report.

Reed Elsevier prefers employees to identify themselves when reporting violations or suspected violations because this will better enable Reed Elsevier to investigate the suspected wrongdoing. However, Reed Elsevier recognises that in some cases employees may feel it necessary to remain anonymous.

Except in the United States, employees should address anonymous reports in writing to the Reed Elsevier Group Compliance Committee, describing in as much detail as possible the alleged wrongful conduct, the individuals involved and the basis for the allegations. For employees' convenience, and to help ensure that anonymous reports are sufficiently complete to enable Reed Elsevier to fully investigate the matter, a form

for filing anonymous reports is available for employee use. Employees in the United States should submit anonymous reports via the Reed Elsevier Confidential Line. Anonymous reports of concerns regarding questionable accounting, internal accounting controls or auditing matters should be submitted to the Audit Committees of the Combined Boards.

6.2 Investigation of Reports

Reed Elsevier will investigate all reports of suspected violations of law or the Code, including anonymous ones. Employees must cooperate in the investigation of reported violations.

6.3 Confidentiality

Reed Elsevier will not disclose the identity of anyone who reports a suspected violation or who participates in a related investigation unless the employee submitting the report authorises such disclosure or such disclosure is required by law, regulation or legal process; or, after prior notice to the relevant employee, such disclosure is deemed necessary to properly investigate the matter.

6.4 Protection against Retaliation

Retaliation in any form against an individual who in good faith reports a violation of the Code or of law, even if the report is mistaken, or assists in the investigation of a reported violation, is itself a serious violation of this policy and of law. Any employee responsible for reprisals against co-workers for reporting in good faith known or suspected violations of law or the Code, or for assisting in an investigation of such a violation, will be subject to disciplinary action, up to and including termination. Any employee who submits a report that he or she knows or suspects may be false will also be subject to disciplinary action and possible termination.