

BUSINESS CONDUCT

1. PURPOSE

To ensure that the business conduct of all Company employees is appropriate to the nature of the Company and is conducted in a manner which avoids any conflict of interest or allegation of bribery or compromise.

2. SCOPE

All permanent and temporary employees and any other contractor, consultant or person acting in the name of the Company.

3. INTRODUCTION

If we are to achieve our vision for our business, then it is vitally important that everyone in the George Wimpey Plc Group of companies (George Wimpey) operates at all times to the highest standards of integrity and conduct in all matters concerning the Company. Accordingly, the Board has approved this Code of Business Conduct, which sets out the standard for our individual dealings both internally and externally.

This Code is essential reading for each employee and it is the responsibility of each one of us to ensure compliance within our own areas of responsibility in order that our reputation and values are protected. Only by operating and maintaining the highest standards will we be able to fulfil our primary objective of enhancing shareholder value, and at the same time set industry-leading standards for safety and customer care.

Peter Johnson

Chief Executive

July 2002

4. POLICY STATEMENT

George Wimpey expects from its employees, and all others that represent it, the highest standards of integrity and conduct in all matters concerning the Company. Employees must not subordinate their duty to their private interests or place themselves in any position where their responsibilities towards the Company might conflict with their private interests or give

grounds for suspicion in this regard. The Company looks to its employees to exercise scrupulous care at all times in these matters, particularly in relation to the following:

- Business relationships;
- gifts, favours and hospitality;
- share dealing;
- financial and business interests;
- official information.

In all circumstances, all employees and others who represent the Company must adhere strictly to this policy and the associated procedure. Failure to do so will result in summary dismissal and may result in criminal prosecution.

5. FUNDAMENTAL REQUIREMENT

No employee must act in any way that could impair or give rise to allegations or doubts about the employee's integrity or commitment to the best interest of George Wimpey.

6. CERTIFICATE OF COMPLIANCE

Annual certification of compliance with this Code of Business Conduct will be sent to specified management employees who will be required to sign and return certificates to the Company Secretary.

7. CONDUCT OF BUSINESS AFFAIRS

George Wimpey required its business affairs to be conducted to a standard of fundamental honesty and fair dealing. As a minimum, this requires adherence by all employees to all laws and regulations that apply to the activities of George Wimpey.

7.1 Customers

George Wimpey requires all customers to be treated in a similar manner and fairly. The following requirements should therefore be followed:

- Products and services must comply with nationally accredited standards.
- Products and services must be advertised and explained in a truthful manner, ensuring that there is no concealment or exaggeration.
- No house should be handed over to a customer until it is fully complete.
- High standards of after sales service must be maintained.
- All customer complaints should be dealt with in a speedy and courteous manner.
- Practices, which seek to increase sales or prices by any non-legitimate method, are not permitted.

7.2 Suppliers and Sub Contractors

In order to deliver its product, George Wimpey is reliant on both its materials suppliers and sub-contractors. We will therefore ensure:

- All relationships with both suppliers and sub-contractors will be fair and honest and conducted on an arms length basis.
- That we pay on time and within the terms of our agreement.
- That no inappropriate gifts are received or offered.
- That no employee who has commercial dealings with a sub-contractor has any personal commercial or other financial relationship with that sub-contractor.

7.3 Government and Local Authorities

Due to the nature of our business, George Wimpey has significant dealing with Government and Local Authorities. Relationships with both elected and employed government personnel must at all times be carried out on a proper and open basis.

Accordingly, no undue influence must be exerted on any government personnel or representatives and any hospitality offered must not be excessive.

8. GIFTS, HOSPITALITY OR ENTERTAINMENT

8.1 GIFTS

A "gift" is defined as any item of cash or goods, or any service which is provided for personal benefit at less than its commercial value. The only exceptions to this

definition are merchandise samples which are given to an employee **for a bona fide business purpose**.

No gifts of a value greater than £50 or favours can be accepted or solicited by a Company employee or other representative or by a member of his/her close family, from people or organisations with whom that person has business dealings on behalf of the Company. Similarly, Company employees or other representatives should not offer gifts or favours to business contacts or their close family, unless authorised by the Business Unit Managing Director.

The following types of gift are **not** allowed:

- services provided by a supplier/contractor at nil or reduced cost (e.g. building or maintenance work);
- payment by suppliers to subsidise George Wimpey events (e.g. Christmas parties).

It is important for employees and other representatives to be aware that corruptly soliciting or receiving any gift or favour (including any attempt) is a criminal offence.

If any unacceptable gifts are received they must be returned with a letter politely explaining the terms of this policy and stating that the recipient is prohibited from accepting them.

Any gift which cannot be returned (e.g. perishables) should be disposed of at the Manager's discretion, for example, shared between junior staff or given to charity. In these cases the supplier should also be informed, in writing, of the Company's action.

The following exceptions to the above are permitted :

- low value "promotional" gifts (e.g. calendars, diaries) inscribed with the provider's name;
- in cases of prolonged absence from work e.g. sickness or the birth of a child, traditional gifts, such as flowers, fruit or confectionery of a reasonable value can be given;
- "departmental" gifts of a reasonable value, intended to be shared by non-management staff (e.g. confectionery).

Gifts on a larger scale, which are presented publicly at such times as Christmas and are not considered to be a bribe or inducement, must also be disclosed as above. It is expected that such gifts should be distributed within the appropriate department or area of work, amongst all those concerned with providing a service or work which is related to the provider of the gift.

It is recognised that where a business relationship has developed into a personal friendship, which exists **outside** the working environment, then personal presents are likely to be exchanged (e.g. birthdays, Christmas, retirements). This is permissible provided that:-

- Gifts are paid for by the individual, not the “supplier’s” Company; and
- The employee informs his/her manager.

George Wimpey employees may (with the Business Unit Managing Director’s approval) mark their appreciation of a “supplier’s contribution” with a gift of a reasonable value, so long as there is no element of inducement involved, and it is understood that the gift may not be reciprocated.

Employees should be aware that all gifts accepted by them under the provisions of this policy must be declared by the Company to the Inland Revenue on the employees’ annual P11D form, as they are considered to be a taxable benefit if the total value of such gifts exceeds the annual limit set by the Inland Revenue. Similarly, employees are also required to declare the value of these gifts on their self assessment forms, where relevant.

8.2 HOSPITALITY OR ENTERTAINMENT

Offers to an employee or representative, or to a member of his/her close family, of hospitality or entertainment of a frequency, type or scale which the Company would not wish to reciprocate, must not be accepted.

Hospitality such as business meals or drinks must be on an appropriate scale and must not render the employee or representative in a position where they may be influenced in making a decision in relation to Company business, or where the employee or representative may give the appearance of being so influenced. If the hospitality is more generous, advance clearance must be obtained from the appropriate Discipline Director.

Travel expenses - the following may **not** be accepted :

- payment of normal business travel or accommodation expenses;
- visits to any location when not necessary for a genuine business purpose;
- travel or accommodation costs for family members.

Travel expenses - the following may be accepted:

- genuine business travel expenses where the supplier/customer has experienced problems and requires our assistance to solve them. In these cases agreement should be sought from the appropriate manager.

Entertainment expenses - the following may **not** be accepted:

- tickets for any function at which the donor is not present;
- use of donor's property (e.g. holiday home);
- any type or level of entertainment which is outside the bounds of accepted business hospitality;
- extension of business trips abroad for leisure purposes paid for by the host.

Entertainment expenses - the following may be accepted :

- entertainment at which the donor is present and which is within the bounds of accepted business hospitality.

8.3 VULNERABILITY

If any employee or other representative of the Company has any personal, financial or other problems he/she may be more vulnerable to offers of inducements than would otherwise be the case. It is, therefore, in their interest to discuss such matters in confidence with their manager when such a problem is identified, both to secure assistance and advice and to avoid unwarranted suspicion.

9. SHARE DEALING

- 9.1** Inside information is information about George Wimpey or a related company or business which is not generally known to the public and which could affect the price or value of the securities of George Wimpey Plc. The disclosure of inside information or the use of inside information in connection with the sale or purchase of the securities of George Wimpey Plc is strictly prohibited.

It is a criminal offence for any person to deal in the shares or other securities of a company when he has information that is not publicly published and which, on publication, would be likely to affect the stock market price of those shares or securities. There are complex legal provisions and the code adopted by the George Wimpey Plc Board lays down Group Policy. Additional restrictions are imposed on Directors of George Wimpey Plc and of its subsidiaries and of certain staff deemed to be "relevant employees".

9.2 Note that the legislation applies not only to dealings by any employee and “connected persons” but the prohibition also applies to anybody, who, either directly or indirectly, has knowingly obtained from him price sensitive information and includes this company and any other listed company. Managers should therefore ensure that those members of staff who occupy positions involving access to such information are made aware of the fact that criminal liability can arise by communicating such information and that the Group Secretary is advised of their names so that they can be told that they are “relevant employees”.

9.3 “Shares or other securities” means any type or class of share, debenture, loan stock or option traded on a recognised stock exchange, irrespective of whether the purchase or sale is made through an employee share scheme or otherwise.

9.4 In particular, any employee falling within the scope of para 9.1 above must ensure that:

- No dealings may take place when information as outlined in para 9.1 above is known.
- No purchase of George Wimpey Plc shares may be made during the two months before announcement of the Group’s half-yearly or annual results (usually in September and March respectively). Transactions are not permitted on the day of announcement either.
- No sales of George Wimpey Plc shares may take place during the above periods unless there are exceptional circumstances, where a pressing financial commitment has to be met. In such an event the Group Company Secretary must first be notified of the intended transaction stating why an exemption should be granted.
- Transactions in the operation of the Wimpey Corporate PEP will constitute a dealing and should not therefore take place during the above periods.
- With the exception of the savings related and executive share option schemes, no option dealing in George Wimpey Plc shares is permitted.

9.5 “Connected persons” referred to above include:

- an employee’s spouse, child, or step-child, under 18 years of age, including any illegitimate children.
- A company in which, broadly, the employee and the persons in the list above either individually or together have a 20% interest or more.
- A business partner
- A trustee of a trust which includes the employee or any connected person among it’s beneficiaries (excluding trustees of pension schemes).

- Investment managers or other nominees holding shares on behalf of the “connected person” even if management power is discretionary.

Any employee or representative must declare in writing to the Business Unit Managing Director any financial interest they or their close relatives or associates have in any business which may contract to supply goods or services to the Company. This disclosure also applies to any interest in an activity or pursuit which could lead to potential conflict between their work with the Company and their activities or pursuits.

The Company regards the requirement to declare interests as a contractual responsibility. Disciplinary action will be taken against employees who fail to declare a relevant interest or abuse their official positions for self benefit or for the benefit of families, friends or associates.

10. CONFLICTS OF INTEREST

All employees have a duty to further the aims and the goals of George Wimpey and to work on behalf of its best interests. No employee should place him or herself in a position where the employee’s actions or personal interests may be in conflict with those of George Wimpey. This includes:

- The holding by an employee, or a member of his/her immediate family, of a material financial interest in a competitor, supplier or customer which could cause divided loyalty or the appearance of divided loyalty.
- Acting as a director, employee or agent of a competitor, supplier or customer.
- Acceptance by an employee, or a member of his or her immediate family, of any favour, money, gift, entertainment, hospitality or other benefit from a competitor, supplier, customer or adviser, the size, nature or frequency of which exceeds normal business custom.
- Competing with George Wimpey.
- Use by an employee of George Wimpey assets and business relationships, including, but not limited to facilities or personnel/contractors for other business or personal benefit (e.g. building or maintenance work), other than on formal arms length terms.

No employee or representative may be financially involved in any outside business if his/her activities on behalf of the Company could materially affect the fortunes of that business. This includes businesses which are or which become suppliers, customers or competitors. If any such interests are already held the employee must declare these in writing to their manager, who will advise whether action is necessary.

Interests of a non-pecuniary nature may be just as important as pecuniary interests. For example the following kinds of relationship can affect an individual's judgement or at least give the impression to other people that he/she may be acting from personal motives - family contacts, friendship, membership of a club or association, or many other kinds of relationship. It is therefore also a requirement that all such interests must also be declared, in writing, to the employee's or representative's manager.

If an employee wishes to engage (whether or not in working hours) in any outside business as a proprietor or director, he/she must obtain written permission from the Business Unit Managing Director. He/she must also obtain such permission before becoming involved with an outside business as an employee, or in some other capacity, if there could conceivably be a conflict with the Company's own interests. Even where there is no possibility of a conflict of interests employees may also be required to obtain permission under separate guidance regarding extra-mural activities as detailed in the [Outside Business Activities Policy](#).

The Company will not permit its employees to engage in outside employment which could conflict with or detrimentally affect their George Wimpey duties.

11. COMPETITION LAW REQUIREMENTS

It is the policy of George Wimpey to compete vigorously, but honestly, and to comply with competition laws applicable in any relevant jurisdiction. Any breach of competition law could result in very substantial fines being imposed, damage to our share price and reputation, management disruption and adverse publicity. Consequently, you must not, for example, infringe competition law by:

- Having arrangements with our competitors, either formal or informal, to fix prices or terms and conditions of sale.
- Having agreements which share markets by dividing up territories.
- Exchanging key commercial information with our competitors (e.g. providing advance notice of price increases or decreases).

12. CONFIDENTIAL INFORMATION

No employee, former employee or Company representative may disclose to unauthorised persons confidential or other classified information to which he/she has access except in accordance with clause 8 below. Information, data, specifications and all documents relating to George Wimpey business and personnel must be treated as confidential. A breach of the provisions of this clause will entitle the Company to invoke the disciplinary procedure, up to and including dismissal.

It is important that confidentiality is maintained. An appropriate level of authorisation must be obtained before any information, which may be of a confidential nature, is passed to other employees or outside agents who may not be authorised to receive it. It is also essential when transmitting information in a written form or by electronic mail, that care is taken to ensure that where this is of a confidential nature it is addressed correctly. Further information on the use of electronic mail systems is contained in the [Use of E-Mail and the Internet Policy](#). The uncontrolled or premature release of information externally can be extremely damaging and may result in competitors gaining a commercial advantage. Such information may be of a technical, financial, commercial or personal nature or may relate to the Company's plans for the future.

Some employees or representatives may need to take home documents on which they are to work and which relate to their job function. They are responsible for the security of these documents. The removal of any documents relating to George Wimpey business and products is strictly prohibited except with prior authorisation of a Business Unit Managing Director.

Employees or representatives must not publish literature, deliver any lecture or make any communication to the press, radio or television relating to the business or any other matters in which the business may be concerned, unless this is with the authority of the Business Unit Managing Director.

13. THEFT

All instances of known or suspected theft, fraud or similar conduct should be reported as soon as possible.

The report should describe the relevant conduct and circumstances and, if possible, include an estimate of the loss.

The report should be made to your immediate manager and to the Divisional Finance Director who will advise the Company Secretary and Head of Internal Audit accordingly.

14. FAILURE TO COMPLY AND REPORTING BREACHES

Failure to comply with the guidelines in this policy will constitute a breach of the Company's [Code of Conduct](#). If an employee is suspected of not complying with this policy an investigation will take place which may then lead to a disciplinary hearing as specified in the [Discipline Policy](#). In the event that an allegation is considered to be well-founded, disciplinary action up to and including summary dismissal will be taken.

If any employee has reason to believe that there may have been, or there may be about to be a breach of this Code, they should immediately bring the matter to the attention of the

Company Secretary, or Human Resources Director, who will ensure that a prompt and thorough investigation is carried out. Wherever possible, confidentiality will be respected.

If an investigation is necessary, a decision will be taken as to whether this will be undertaken internally or by an outside agency.

The contact details are as follows:

Company Secretary

Tel: 020 7963 6351

Fax: 020 7963 6355

Address: Manning House, 22 Carlisle Place, London SW1P 1JA

Human Resources Director

Tel: 01494 88 5607

Fax: 01494 88 5627

Address: Gate House, Turnpike Road, High Wycombe, HP12 3NR

There may also be circumstances where an individual has concerns with respect to a particular aspect of the business of the Company or the activities of one or more of its employees or representatives. Where the individual suspects that this may affect and prejudice the interests of the public and/or breach any current legislation, he/she should disclose this information in accordance with the Company's [Public Interest Disclosure Policy](#). Provided the procedure within that policy is followed, employees may make such disclosures without fear of retribution from any source and in the knowledge that such concerns will be promptly and properly investigated.

15. RESPONSIBILITY

All those persons referred to within the scope of this policy are required to adhere to its terms and conditions. They must understand that this policy is also incorporated into their contract of employment.

Individual managers are responsible for ensuring that this policy is applied within their own area. Any queries on the application or interpretation of this policy should be discussed with the Human Resources department prior to any action being taken.

The Human Resources department has the responsibility for ensuring the maintenance, regular review and updating of this policy. Revisions, amendments or alterations to the

policy can only be implemented following consideration and approval by the George Wimpey Board.