Whistleblowing Policy (September 2006)

SCOPE

This policy applies to all Morrison Homes' employees, including part time, temporary and contract employees.

PURPOSE

Morrison Homes is committed to the highest possible standards of ethical, moral and legal business conduct. In line with this commitment and Morrison Homes' commitment to open communication, this policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith.

POLICY

The whistleblowing policy is intended to cover serious concerns that could have a large impact on Morrison Homes or any of its employees, such as actions that:

- May lead to incorrect financial reporting;
- Are unlawful;
- Are not in line with company policy, including the Code of Business Conduct; or
- Otherwise amount to serious improper conduct.

SAFEGUARDS

Harassment or Victimization

Harassment or victimization of the complainant will not be tolerated.

Confidentiality

Every effort will be made to protect the complainant's identity. However, in exceptional circumstances identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. Where this becomes necessary, the safeguards referred to above will come into full operation.

Anonymous Allegations

The policy encourages employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be investigated, but consideration will have to be given to:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

Malicious Allegations

Malicious allegations proved to be false or materially incorrect may result in disciplinary action [up to and including termination] being taken against the complainant.

Employment-Related Concerns

Morrison Homes practices an Open Door policy for all employees. Although most problems or questions can be solved by discussing them with your immediate supervisor, problems can be also be escalated to:

- Next level of immediate management team; or
- Division President; or
- Regional HR Manager; or
- Vice President, Human Resources as per the procedure below.

PROCEDURE - PROCESS FOR RAISING A CONCERN

Reporting - Whistleblowing

The whistleblowing procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct, should be reported in either of the following ways:

- Toll Free ALERT Hotline: 866,595,6733
- Via E-Mail: ALERT@morrisonhomes.com
- Katy Owen, Vice President, Human Resources, 770.360.8719
- Mailing address alternative for written documents:
 - Morrison Homes Human Resources/ALERT 3655 Brookside Parkway, Suite 400 Atlanta, GA 30022

Timing

The earlier a concern is expressed, the easier it is to take action.

Evidence

Although the employee will not normally be expected to prove the truth of an allegation, the employee needs to demonstrate to the person contacted that there are sufficient grounds for concern.

How The Complaint Will Be Handled

The action taken will depend on the nature of the concern. In most situations, the Morrison Homes Leadership Team will receive a report on each complaint and a follow-up report on actions taken.

Initial Inquiries

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation.

Report to Complainant

Whether reported to Morrison Homes' personnel or through the hotline, the complainant will receive acknowledgement that the concern was received within 48 hours.

Within two (2) weeks, the complainant will also be given the opportunity to receive follow-up on their concern as follows:

- Indicating how the matter will be dealt with;
- Giving an estimate of the time that it will take for a final response;
- Telling them whether initial inquiries have been made;
- Telling them whether further investigations will follow, and if not, why not.

Further Information

The amount of contact between the complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from the complainant.

Information

Subject to legal constraints the complainant will receive information about the outcome of any investigations.

Morrison Homes reserves the right to modify or amend this policy at any time as it may deem necessary.