

THE BERKELEY GROUP HOLDINGS PLC ANTI-BRIBERY AND CORRUPTION POLICY

The Berkeley Group is committed to ensuring that its business is conducted according to ethical, professional and legal standards in a fair, honest and open manner. We will endeavour to ensure that this is reflected in every aspect of business that we undertake, so that we bring integrity to all our dealings.

Bribery and corruption expose the Group, its employees and business partners to the risk of criminal prosecution in addition to harming the Group's reputation. Accordingly The Berkeley Group operates a zero tolerance of all forms of bribery and corruption. It is vital that we ensure that our employees and those who work on our behalf understand their responsibilities and operate to high ethical standards.

What is Bribery?

Bribery is the offer, promise, giving, demanding or acceptance of an advantage in monetary or other form, as an inducement or reward for the improper performance of a function or activity which is expected to be performed in good faith, or impartially or by someone in a position of trust. Bribery is a criminal act.

Bribery and corruption can take many forms. It is not possible to provide an exhaustive list of examples of bribery or corruption which may be made directly or indirectly through a third party. However some examples may include:

- The direct or indirect promise, offering or authorisation of anything of value
- The offer or receipt of any kickback, loan, fee, reward or other advantage
- The giving of aid, donations or voting designed to exert improper influence
- Payments for lavish or inappropriate entertainment or travel
- Favours including offers of employment
- Facilitation payments
- Inflated commissions
- Fake consultancy agreements

What is Corruption?

Corruption is the mis-use of power for gain.

What is a Kickback?

Kickbacks are a particular form of bribery. A kickback usually involves the return of a percentage of a sum of money already requested or received, typically as a result of pressure, coercion or a secret agreement. A kickback can be initiated and received by a corrupt individual, usually simultaneously with or after the completion of a business transaction.

What is a Facilitation Payment?

This occurs when a person holding office, whether public or private, uses a position of strength (ie. authority to perform a normal action or service) either with or without extortion to demand a bribe (for either carrying out what the person was appointed to do, to do it faster or to omit doing a required action) from the person or enterprise needing the action performed (or omitted to be done), even though these payments may be small in absolute terms for the payer.

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Our principles:

We prohibit the offer, gift, or acceptance of a bribe in any form, including kickbacks on any portion of a contract payment, facilitation payments or the use of other routes or channels to provide improper benefits to customers, agents, contractors, suppliers or employees of any such party or government officials. Whether extorted or not, facilitation payments are bribes and as such are also prohibited.

We also prohibit any employee or business partner from arranging or accepting a bribe, facilitation payment or kickback from customers, agents, contractors, suppliers, or employees of any such party or from government officials, for their own benefit or that of their family, friends, associates or acquaintances.

We oppose all forms of bribery and corruption, large as well as small, whether initiated by corrupt officials or corrupt companies or individuals and whether it takes place in the public or private sector or in the UK or abroad.

The Berkeley Group 10 Point Plan against Bribery and Corruption:

The Berkeley Group has adopted a 10 point plan to combat bribery and corruption:

1. The **commitment from the Main Board** to the company's internal controls, ethics and compliance programmes and measures for preventing and detecting bribery and corruption.
2. The **Audit Committee** will be required to oversee the development and implementation of this policy and to monitor compliance. The Finance Director has the executive responsibility to implement the policy and report to the Audit Committee.
3. The **assessment of risk of bribery and corruption** taking place within The Berkeley Group's business and the development of effective, efficient and transparent controls to reduce exposure to those risks.
4. The **establishment of a clearly articulated and visible corporate policy** to implement The Berkeley Group's principles prohibiting bribery and corruption at all levels of the business. This policy incorporates the associated policies (listed below) and is communicated to all employees throughout The Berkeley Group and to third parties, including our joint venture partners, consultants, representatives, agents, contractors and suppliers ("business partners") :
 - Business and Ethics Policy embedded into our daily business and decision making
 - Gifts, Corporate Hospitality and Promotional Expenditure
 - Whistle-blowing Policy
5. The adoption of appropriate **referencing** procedures on new staff and **due diligence** on business partners coupled with a **requirement that our employees and business partners** read and **comply with this Anti-Corruption and Bribery Policy** and its associated policies as well as future updates issued from time to time. Where reasonably possible, a requirement will be imposed on our business partners to impose similar requirements on their own third parties.

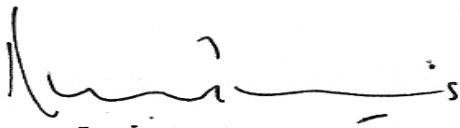
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6. **Training** of all relevant individuals throughout The Berkeley Group so that compliance with our policies and procedures is the duty of all relevant individuals at all levels and so that individuals can recognise bribery and corruption and take steps to avoid the same.
7. A requirement that our employees and business partners remain vigilant and report any suspicions of bribery or corruption or improper business practices through the formal **whistle-blowing** channels to enable proper and thorough investigations to be carried out. In addition, an informal “open door” policy will be operated by the Finance Director to enable employees to discuss any concerns they may have.
8. The use of **financial and accounting procedures** – including a system of internal controls, designed to ensure the maintenance of fair and accurate books, records and accounts which cannot be used to hide bribery or corruption.
9. The imposition of appropriate **disciplinary and other sanctions** for violations of our policies and procedures and/or laws against bribery and corruption.
10. Periodic **audits and reviews** of The Berkeley Group’s anti-bribery and corruption risk assessments and policies and procedures to monitor, evaluate and improve their effectiveness.

This policy has been formally adopted by The Berkeley Group Main Board which is committed to preventing bribery and corruption. Its aim is to establish a culture within the Group and within our business partners in which bribery and corruption are never acceptable.

It is the Group Main Board’s ultimate responsibility to oversee the development and implementation of the Group’s Anti-Bribery and Corruption programme to ensure its effective implementation throughout the Group’s organisation to employees, subsidiaries and business partners.

Failure to comply with this policy may result in disciplinary action, including dismissal (employees), or appropriate sanctions (business partners) in addition to civil or criminal charges.



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R C Perrins
Managing Director