

MORRISON HOMES POLICY MANUAL

BUSINESS GIFTS

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To avoid any suggestion of impropriety, Morrison Homes requires that employees decline to accept gifts having more than nominal value from individuals or entities who transact, or desire to transact, business with the Company.

This policy is designed to protect employees from potential conflicts of interest. Gift givers may incorrectly assume that they have earned favored status or that an employee is beholden to them. Colleagues and fellow employees may view the acceptance of a gift suspiciously and may conclude that an employee who accepts a gift is unable to act objectively and without bias.

This policy does not preclude participation in meals or events having a business-related purpose, nor does it preclude accepting an occasional invitation to what might be considered a social event, such as a golf outing or a sporting event. Morrison Homes encourages friendly and professional relationships between its employees and those of its business partners. Employees should not, however, accept repeated invitations of this kind from a single individual or company.

It is recognized that accepted customs, practices and business etiquette may on occasion require the acceptance of small tokens of appreciation and goodwill. Employees are expected to exercise their best judgment on such occasions and, as necessary, seek guidance from their supervisors. Gifts are generally acceptable when an entire office or department is a collective recipient, provided that the gift is modest and appropriate for the circumstances (e.g., candy or fruit at the holidays).

Suppliers and subcontractors often purchase season tickets to sporting and theater events, to be used for business entertainment. Acceptance of tickets is appropriate, provided that the cost is modest and invitations are not repeated. Group outings are generally acceptable, and management personnel who are offered tickets are also encouraged to share the proffered gift with other personnel.

THE ACCEPTANCE OF A BUSINESS GIFT (EXCEPT FOR BUSINESS MEALS) MUST BE DISCLOSED TO AN EMPLOYEE'S SUPERVISOR OR, IN THE CASE OF CORPORATE EMPLOYEES, TO THE COMPANY'S CHIEF FINANCIAL OFFICER. GIFTS INVOLVING GROUPS OF EMPLOYEES SHOULD BE REPORTED BY THE MOST SENIOR EMPLOYEE PRESENT. ATTACHED AS EXHIBIT A IS A BUSINESS GIFT DISCLOSURE FORM WHICH MAY BE USED FOR THIS PURPOSE.

Attached as Exhibit B are guidelines for use in interpreting this policy.

Acceptance of a gift in violation of this policy may subject an employee to discipline, including termination of employment.

Exhibit A - Business Gift Disclosure Form

Exhibit B - Guidelines Relating to Acceptance of Business Gifts