

Fraud Policy and Response Plan

Introduction

Taylor Wimpey is committed to minimising the threat of fraud. This policy formalises the company's attitude to fraud and its response to instances, or allegations, of fraud against its employees or third parties. This policy should be read in the context of the company's Ethics Policy) and in conjunction with its 'Whistleblowing' Policy.

Applicability

This policy applies to all Taylor Wimpey businesses in every country of operation, including joint ventures. Fraud for this purpose is defined as the obtaining of a benefit by an employee or third party to which they are not entitled, as a result of: theft (of assets, intellectual property or data), misrepresentation, conflicts of interest, financial irregularity, data manipulation or destruction, or any other activity.

Policy Statement

Our Culture

Taylor Wimpey recognises that the culture within which its employees operate is a key factor in the threat of fraud. We aspire to the highest standards of integrity and honesty in all our employees, from recruitment to retirement. To that end, we publish and make available to all employees, a clear and comprehensive set of policies, processes, procedures, employee handbooks and role descriptions. These will define what we consider to be appropriate behaviour and employees will be expected to abide by them. Behaviour other than that prescribed in our policies and related documents should be carefully considered and, in the event of any doubt, employees should confer with their line manager.

Taylor Wimpey recognises that its Corporate Social Responsibilities are a key foundation of its culture and stakeholder relationships. We will actively seek to develop Corporate Social Responsibility policies that are consistent with, and complementary to, our cultural aspirations.

As a business we will support our culture through our efforts to deter, report and investigate fraud or suspected fraud.

Deterring Fraud

Taylor Wimpey will maintain internal controls that are effective and efficient in deterring fraud. The Board of Directors is responsible for sound corporate governance and will maintain a sound system of internal control that is embedded in our day-to-day operations. This is achieved by:

- The identification and assessment of risks by management;
- The development and implementation of appropriate controls,
- The monitoring of those controls, and;
- The ownership and rectification of weaknesses by line management.

Detecting and Reporting Fraud

Taylor Wimpey empowers its managers and auditors to detect and report suspected fraud through a continuous process of review of the effectiveness of internal controls. We encourage our employees to be aware of their environment and the actions of those employees and third parties around them and to report any reasonable suspicions of fraud. To this end, Taylor Wimpey has a specific 'Whistleblowing' policy.

The Board of Taylor Wimpey plc will monitor the effectiveness of this Policy and will review the Policy on a regular basis and annually as a minimum

Approved by



Chief Executive

Taylor Wimpey plc June
2008

Investigating Fraud

All cases of suspected fraud will be investigated, normally by the Group Internal Audit Department in conjunction with business management. In investigating fraud impartially, we will adopt the following priorities:

- To determine whether a fraud has occurred and its extent;
- If a fraud has occurred, to stop any further incidence of it and to protect the interests of Taylor Wimpey;
- To recover any assets lost, or additional costs incurred, as a result of the fraud;
- To take appropriate internal disciplinary action against employees implicated in the fraud, in accordance with our policies;
- To involve the police or other appropriate investigative bodies in the pursuance of criminal charges or civil suits against employees or third parties implicated in the fraud.

The investigation of fraud is a specialist skill and should not be undertaken by those without appropriate knowledge and experience. Taylor Wimpey reserves the right to pursue a criminal conviction following any incidence of fraud and to that end, will ensure that proper procedure is complied with, especially with regard to observing the rights of the individual, the admissibility of evidence and other relevant legislation and codes of practice.

Fraud Response Plan


The normal procedure following the report of a suspected fraud will be:

- Inform the Head of Internal Audit who will develop an immediate investigation plan;
- The Head of Internal Audit will inform senior management, the Human Resources Director and other appropriate management in order to finalise the investigation plan and to develop a contingency plan to minimise any potential disruption to the business or any publicity arising from investigation activity or the suspension of employees;
- The possibility of involving the police in an investigation will be considered throughout its progress by the Head of Internal Audit in conjunction with senior management. At any point, responsibility for the whole investigation could be handed over to the police;
- The investigation plan will be implemented: evidence will be collected and properly secured;
- Action to trace, freeze and return assets, or recover costs incurred, will commence along with the implementation of the contingency plan;
- Employees or third parties will be interviewed, as required;

A report will be prepared for the Board and Audit Committee outlining the impact of the fraud, how it occurred, the actions taken and any recommendations for internal control improvements, along with an agreed action plan.

Applicability

This policy applies globally and its principles apply in all areas of the Group's business

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