



THE WAREHOUSE GROUP LIMITED
(“The Warehouse”)

Code of General Business Principles

Executive Summary

Why does The Warehouse Group Limited (“TWG”) have a Code of General Business Principles?

The Code of General Business Principles is published to provide directors, officers, employees and contractors (hereinafter referred to as “Team Members”) of The Warehouse group of companies with clear expectations of ethical standards for the Group.

This code is designed to supplement those rules already in place within the Company.

The Code has been endorsed by The Warehouse Board of Directors and applies to all Team Members. The Code is intended to supplement ‘**The Warehouse Way**’ booklet and demonstrates our commitment to conducting our business ethically and legally.

The Code outlines the principles, policies and laws that govern the activities of the company, and to which our Team Members and others who work with or represent us directly or indirectly, must adhere. The Code is distributed to all The Warehouse Team Members and others performing work for the company and offers guidance for professional conduct under nine main headings, which include the following key points:

1. Responsibilities to The Warehouse

- Team Members are responsible for maintaining ethical standards, including appropriate accounting controls.
- Team Members who suspect violations of law, regulation or The Warehouse policy should communicate their suspicions to the appropriate internal representatives; a telephone hotline number has been established for this purpose (0800 808 678).
- We must maintain company records accurately and retain them in accordance with law.

2. Workplace Responsibilities

The Warehouse has a long-standing commitment to equal opportunity for all its Team Members. Discrimination or harassment of any kind is totally inconsistent with our ‘**People First**’ philosophy. This obviously makes good business sense as well as being fair to all concerned across Group companies. Maintaining our customers’ confidence in our professionalism and integrity is too important to be put at risk by inappropriate behaviour.

- The diversity of our Team Member population is central to The Warehouse’s success.
- We are committed to fair employment practices and a workplace free from drugs and any kind of harassment or intimidation of Team Members.

- We are committed to the safety of our Team Members and expect our businesses and Team Members to comply fully with appropriate laws and internal regulations.

3. Representing The Warehouse to Customers and Other External Constituencies

- We treat our customers, suppliers and competitors fairly.
- Speeches, media interviews, and other public appearances in connection with The Warehouse must be approved internally in accordance with delegations of authority.
- Accepting and giving gifts is not permitted, except as governed by strict internal regulations.
- Lobbying on behalf of TWG requires prior approval. We encourage Team Members to take an interest in government, but lobbying and similar activities must be done as private individuals.

4. Privacy/Confidentiality

- All TWG information that is not public is considered proprietary information. You are responsible for properly identifying and protecting that information.
- Protecting TWG proprietary information is critical. It's critical for the business to remain competitive, and that translates to our future and our jobs. The rights associated with TWG's proprietary information must be safeguarded, whether in written, unwritten or electronic form. Confidential work or TWG's proprietary information must not be disclosed to or discussed with outsiders, the news media or with people or other employees who do not have a specific need to know.

5. Investment and Outside Activities

- TWG complies with New Zealand and Australian securities and insider trading laws and requires that Team Members also comply. There are no exceptions.
- TWG's reputation for integrity and ethical conduct is an important asset. All disclosures by TWG to the public, including periodic reports, press releases and shareholder communications will be accurate and timely.
- All non-public information concerning TWG and its affairs is the property of TWG and not the property of any Team Member. Any Team Member having non-public information must maintain its confidentiality. In addition, Team Members with such information must not trade in TWG shares until the information is publicly announced.
- Team Members may acquire, during the course of their employment, market-sensitive information about other publicly trading companies. Such information must be treated confidentially. It may not be disclosed, nor may it be used as a basis for trading in that company's share until the information becomes public.
- A Team Member use of confidential information or non-public information in securities transactions violate the law and would be subject disciplinary action and potentially to civil and criminal prosecution.

- Directors and Senior Executives may only trade TWG securities in the eight week window following release of the preliminary interim and full year result subject to taking consent and in accordance with The Warehouse securities trading policy.

6. Fair and Free Markets

- The Warehouse is committed to fair competition in all the markets in which we operate. When competing for business do so vigorously but fairly and within the framework of application competition laws. This means not intentionally misleading customers, business partners, competitors or the community; only using The Warehouse's reputation in legitimate ways and refusing to associate in illegal market practices such as price fixing schemes or the lessening competition arrangements.
- Team Members must not enter any agreement, understanding or plan (written or oral) with any competitor with regard to price, terms or conditions of sale, production, distribution, territories or customers.
- Team Members must not exchange or discuss with a competitor pricing, marketing plans, manufacturing costs or other competitive information.
- Team Members must not engage in any other activity that, in the opinion of TWG, violates any competition law.
- Team Members must not enter into any agreement, understanding or plan with any customer in regard to any activity that will affect directly the economic or competitive position of any other customer where this activity is in violation of any competition laws.

7. Commitment to the Environment

- We are committed to doing business in an environmentally responsible manner and identifying environmental risks and whenever possible mitigate adverse environmental impacts that arise out of our operations;

8. Transparency and avoiding conflicts

Gifts and Entertainment

The basic guide on gifts and entertainment is that we should not give (or accept) gifts or entertainment that we could not claim for reimbursement on our own expense claims. Team Members should not accept gifts, payments, fees, services, discounts, valued privileges or other favours where these would, or might appear to, improperly influence you in performing your duties for TWG. You should not provide or give gifts or favours to others where these might appear to improperly influence them in their relations with TWG. Avoid lavish and extravagant expenses.

- TWG Team Members can accept or give common courtesies normally associated with accepted business practices, so long as these are not in a form that could be construed as a

- bribe, payoff or secret compensation. The use of bribes, secret compensation or kickbacks is improper and will result in immediate disciplinary action.
- Normal business-related entertainment may be accepted or given. For example, you may participate in functions and activities connected with seminars, exhibits, trade shows, meetings or presentations that incorporate meals and/or entertainment. Functions involving overnight stays for entertainment, such as hunting, fishing or golfing, must have prior approval from a “one-up” direct report.
 - TWG policy is not to make donations to political parties. This does not, of course, restrict our right to attend political functions in a personal capacity.

Conflicts of Interest

- Individuals or corporations should be chosen to do business with TWG solely on the basis of TWG’s best interests. A Team Members’ personal interest must not influence that choice.
- A potential conflict exists when you have an interest in or connection with a commercial enterprise that does business with TWG – where that interest might affect or appear to affect your decisions. The conflicting interest might be held directly by you or by a member of your family, or by a business in which you may have direct or indirect interest. The conflict might be financial or otherwise.

Team Member Sales

- TWG provides a discount card so you can buy TWG products at reduced prices. All such products are to be purchased for your personal use or as gifts, not to be resold or traded.

9. Use of Company Funds/Expense Accounts

- Corporate assets (physical and intellectual) must not be used for personal benefit.
- TWG assets are critical to our business competitiveness and success. These assets include office equipment, our computer systems, and the data on those systems (including the passwords allowing access to that data), our brands and company purchase cards. TWG assets are provided to you for conducting TWG business. Any use you make of these assets must be authorised.
- As a Team Member, we should be aware of what constitutes misuse of company funds. This is a broad area that includes use of company time and services for conducting personal business.
- Company funds, time spent while at work, company equipment and supplies are to be used only for authorised business purposes. This prohibits the use of company funds for personal expenses.
- In addition, you must record and describe accurately at all transactions using TWG funds. TWG issues payments and is paid for products and services strictly in accordance with supporting documents, such as purchase orders and invoices.

- TWG reimburses Team Members for legitimate, reasonable and normal business expenses. Team Members are responsible for accurately recording expenses, for providing the proper documentation and for submitting only appropriate business expenses.

RAISING EITHICAL ISSUES

Maintaining ethical standards, including appropriate accounting and internal accounting controls, is the responsibility of every member of The Warehouse family.

Early identification and resolution of ethical issues that may arise are critical to maintaining our commitment to world-class business practices.

TWG personnel are expected to treat compliance with ethical standards as a critical element of their responsibilities. Although this Code endeavours to address a wide range of business practices and procedures, it cannot anticipate every issue that may arise. If you are unsure of what to do in any situation, you should seek additional guidance and information before you act. You should use your judgment and common sense; if something seems unethical or improper, it probably is. If you have any questions regarding the best course of action in a particular situation, or if you suspect a possible violation of a law, regulation or The Warehouse ethical standard, you should promptly contact any of the following:

- The Chairman or in his absence the Chairman of the Audit Committee,
- The Group CEO,
- The Company Secretary

The Protected Disclosures Act 2000 (“PDA”) protects people raising allegations of services wrongdoing with their organisations provided they follow TWG procedures.

STATUS OF THIS DOCUMENT

The Code of General Business Principles is published to provide Team Members of The Warehouse group of companies with clear expectations of ethical standards for the Group.

The code is designed to supplement those rules already in place within the Company.

Current as at 26 June 2008