

ETHICS POLICY

1. Chief Executive's Introduction

This ethics policy is one of a series of governance policies which are implemented throughout the Group to ensure that IMI employees behave responsibly and reflect the Company's values at all times.

Whilst there are variations in local laws and the conditions in which our business units operate across the world, the spirit of this code reflects the high ethical standards expected throughout the Group.

The Board of IMI plc has endorsed this policy and expects all IMI businesses and employees to comply with it. The Executive Committee is responsible for the detailed oversight of the operation of the policy and reports to the Board with appropriate quarterly updates and an annual review.

2. Objectives

- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.
- Deter fraud, wrongdoing and corruption.
- Establish accountability for adherence to the policy.
- Require prompt internal reporting of breaches of the policy.

3. Ethics Policy

Each employee of the Group has a duty to act in an ethical manner in all dealings on its behalf. This includes behaving with honesty and integrity. Deceit, dishonesty and corruption are inconsistent with ethical business practices and are not acceptable.

For guidance, the situations where this policy is particularly relevant are illustrated below:

Employees should ensure they are not compromised by conflicts of interest. This includes circumstances where the actions or decisions a person is required to take at work may involve a material element of direct or indirect personal gain (whether for that person, his/her relatives or other close associate).

If in doubt about whether something amounts to an unacceptable conflict, seek guidance from an appropriate senior manager or the Company Secretary. Disclosure is often key as something which may be acceptable if fully disclosed and approved might be seen as acting secretly for personal gain if it is not disclosed.

Examples of possible conflicts of interest include:

- Any ownership interest in any supplier, competitor or customer.
- Any agency, consulting or employment relationship with any supplier, competitor or customer.
- Any outside business interest or activity which detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities to the Group.
- The improper giving or receipt of any personal gifts or payments in return for business. Building close relationships at a business level may involve legitimate business entertainment consistent with the circumstances and seniority of the guest but must never be excessive or of an inappropriate kind. Cash giving is not acceptable.
- Being in a position of employing, supervising, reviewing or having any influence on the job evaluation, pay or benefits of any close relative, partner or associate.
- Using expenses or any of the Company's assets (or allowing others to use them) other than for business purposes.
- Allowing or knowingly permitting any agent or intermediary to do anything which it would be improper for an employee of the Group to do (e.g. any bribery or unlawful act).

- Employees should protect company confidential information. This includes all non-public information which might be of use to competitors or harmful to the Company or its customers, if disclosed. The obligation to safeguard confidential information continues after employment with the Group.
- Employees should not seek competitive or other advantage through dishonest, corrupt, unlawful or anti-competitive business practices.
- Employees should give full, fair, accurate, timely and understandable disclosure in management accounts and other internal documents by which they report on the business and affairs in which they are involved on behalf of the Group.

4. Public Communications and Disclosure

The Company endeavours to ensure that the contents of and disclosures in the financial statements and other documents that it files with relevant authorities or makes public are accurate in all material respects, timely and understandable.

Each Employee must:

- Not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including the Company's external auditors and relevant regulatory authorities.
- To the extent appropriate to his or her areas of responsibility, review properly and analyse critically proposed public and regulatory disclosures for accuracy and completeness.

5. Reporting of Breaches and Accountability

Any employee who becomes aware of any existing or potential breach of this policy is required to notify the Company Secretary promptly. If preferred, concerns about any existing or potential breaches may be reported in accordance with the Company's whistleblowing policy.

In enforcing this policy, the Company will take such disciplinary action as it deems appropriate up to and including dismissal of the individual(s) responsible.

6. Enquiries

All enquiries in relation to this policy or its applicability to particular roles or situations should be addressed to an appropriate senior manager or the Company Secretary.

Signed by:



M J Lamb, Chief Executive
on behalf of IMI plc

Dated: 2 September 2005