

CHAMPION ENTERPRISES, INC.

CORPORATE GOVERNANCE GUIDELINES

Reviewed and Approved September 26, 2008

Champion Enterprises, Inc. Governance Guidelines

I. Introduction and Statement of Purpose

The Board of Directors (“collectively referred to herein as the “Board”) of Champion Enterprises, Inc. (collectively referred to herein as the “Company”) has developed and adopted these corporate governance guidelines (the “Guidelines”) to promote the effective and appropriate functioning of the Board and its committees and to provide uniform guidance as to how the Board is expected to perform its functions.

II. The Board of Directors

A. Director Qualification Standards and Nominating Process

1. Independence

The Board shall have a majority of Independent Directors. The definition of “Independent Director” for purposes of these Guidelines shall be the definition found in Section 303A of the New York Stock Exchange Listed Company Manual. In addition, no Director shall qualify to be an Independent Director unless the Board has affirmatively determined, after considering all relevant facts and circumstances, that he or she has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Company will disclose the basis for such determinations in its annual proxy statement and/or in its annual report on Form 10-K filed with the SEC.

2. Other Standards

In addition to meeting the above independence requirement, nominees for the Board must not have reached their 72nd birthday at the time of their election and Directors must retire at or before the first annual shareholders meeting after they have reached their 72nd birthday. Each director is expected to submit an offer of resignation to the Board after 10 years service on the Board and every 3 years thereafter. No Director shall serve on the board of more than six public companies. Directors are selected on the basis of, among other things, the following criteria:

- personal qualities and characteristics, such as judgment, integrity, reputation in the business community, and record of public service,
- business and/or professional expertise, experience and accomplishments,
- ability and willingness to devote sufficient time to the affairs of the Board and of the Company,
- diversity of viewpoints, backgrounds and experience they will bring to the Board, and

- the needs of the company at the time of nomination to the Board and the fit of a particular individual's skills and personality with those of other Directors in building a Board that is effective and responsive to the needs of the Company.

3. **Size of Board and Nominating Process**

The number of Directors constituting the entire Board shall be at least six, but may be increased from time to time by action of the stockholders or the Board to no more than nine. The Nominating and Governance Committee, comprised entirely of Independent Directors, is responsible for identifying, screening and recommending persons for nomination by the Board to serve as a Director. The Committee may solicit input and/or recommendations from other members of the Board and/or independent advisors. After the Committee's deliberations are completed, it reports its findings and recommendations to the Board. The Board then proposes a slate of nominees to the stockholders for election to the Board. Between annual stockholders meetings, the Board may elect Directors to serve until the next annual meeting.

B. Director Responsibilities

The Board exercises the rights and powers of the Company. The business and affairs of the Company are under the direction of the Board in accordance with applicable state and federal law. All Directors owe a duty of loyalty and a duty of care to the Company and its stockholders. The principal responsibility of members of the Board in performing their duties as Directors is to exercise their business judgment in what they reasonably believe to be the best interests of the Company. In discharging that responsibility, Directors are entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The Board currently has at least five regularly scheduled meetings per year and schedules other meetings as required. The meetings typically consist of committee meetings and a full Board meeting. Directors are expected to make a diligent effort to attend all Board meetings, the Annual Meeting of Shareholders, and meetings of committees of which they are a member. Directors may attend meetings by telephone or videoconference to mitigate conflicts and travel difficulties. Each Director is expected to actively and effectively participate in Board and committee meetings. In that regard, each Director is expected to review in advance the meeting materials sent to him or her and to be familiar with the business of the Company, including its financial statements, capital structure, business plans, and the risks and competition faced by the Company. Management personnel will attend meetings where additional information from management is appropriate to facilitate effective deliberations by the Board and/or its committees concerning any aspect of the Company's business. The proceedings and deliberations of the Board and its committees are confidential. Each Director shall maintain the confidentiality of information received in connection with his or her service as a Director of the Company.

- C. Director Access to Management and to Independent Advisors**
Directors have free access to members of management (including, but not limited to, in-house counsel and internal audit and accounting personnel) and to the Company's independent advisors (including, but not limited to, the Company's independent auditors). The Board and its committees may, in appropriate circumstances and at Company expense, hire its own advisors (including, but not limited to, counsel, investment bankers and financial advisors) as it deems necessary and appropriate for the Board to carry out its duties. The Board encourages management, from time to time, to bring officers and managers to Board meetings to provide additional insights into items being discussed at the meeting and to enable the Board to have exposure to a broad group of management personnel.
- D. Director Compensation**
Board compensation is intended to be sufficient to attract the most qualified candidates available. Board compensation should be consistent, however, with market practices and should be reviewed at least once every three years to determine whether the amount and components of Board compensation are appropriate in relation to other similarly situated companies. The Compensation and Human Resources Committee is responsible for making recommendations to the Board concerning Director compensation. All Directors are expected to hold stock of the Company. The non-executive Chairman of the Board, Lead Independent Director, and committee chairpersons receive additional compensation for holding those positions. A Director who is also an employee of the Company receives no additional compensation for election to or service on the Board.
- E. Director Orientation and Continuing Education**
The Nominating and Corporate Governance Committee oversees the orientation process for new Directors and encourages the Directors to participate in continuing education programs. The Corporation will reimburse Directors for expenses incurred in connection with participation in approved continuing education programs and each Board member is encouraged to attend one director continuing education program at least once every two years.
- F. Chairman, Chief Executive Officer and Lead Independent Director**
The Board selects the Chairman and CEO. The Board believes it is appropriate and efficient under most circumstances for the Company's Chief Executive Officer also to serve as Chairman of the Board. However, the Board retains the authority to separate those functions when it deems appropriate. The Board embraces the lead director concept. If the offices of the Chief Executive Officer and Chairman are held by the same person, the Board will appoint a lead non-management director to chair executive sessions of the Board and have such other duties and responsibilities as the Board shall provide.

- G. Management Development, Succession and Service on For-Profit Boards**
The Compensation and Human Resources Committee annually evaluates the CEO's performance and discusses its findings with all independent directors. The independent directors then meet with the CEO to discuss the evaluation. The evaluation is based on criteria such as performance of the business, accomplishment of long-term strategic objectives, development of management, etc. The Board shall also periodically review the Company's succession plan for key members of executive management, including meeting with the CEO and selecting a successor to the CEO in the event of an emergency, his or her retirement, or an inability to serve for other reasons. As part of the CEO's development, the CEO is encouraged to sit on the board of directors of one other publicly traded company, provided such position does not interfere or conflict with the CEO's duties to the Company, does not create a potential conflict of interest, and is approved by the Board. Such a board seat by the CEO is without restriction as to committee service on that board.
- H. Annual Performance Evaluation of the Board**
The Board will annually conduct self-evaluations to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee will oversee this process.
- I. Executive Sessions**
To promote free and open discussion and communication among the non-management Directors of the Board, the non-management Directors meet periodically in Executive Sessions without any members of management being present. The Lead Independent Director shall preside at Executive Sessions and report to the CEO as to any action taken at an Executive Session. The Lead Independent Director or any two members of the Board may act to convene a special meeting of the Board. Typically, an Executive Session is held at least once during each Board meeting.
- J. Committees and Charters**
The Company shall have at least the committees required by the rules of the New York Stock Exchange, and applicable law. Currently, these are the Audit and Financial Resources Committee, the Compensation and Human Resources Committee and the Nominating and Governance Committee. Each of these committees has a written charter which satisfies the rules of the New York Stock Exchange and applicable law. In addition, from time to time the Board may, by resolution adopted by a majority of the entire Board, establish, merge, or dissolve other committees as it deems appropriate. The Board has adopted a policy of 3-year tenure for committee chairpersons unless it is determined in a particular instance that a longer tenure is in the best interest of the Board. Committee assignments should be evaluated and rotated as appropriate at 5-year intervals or sooner if there is a change in Board membership. The charters of any committee may limit membership to independent directors only. The Board approves all committee chairs, charters and appointments. The chairperson of a committee, in consultation with the appropriate members of management, will develop the committee's agenda.

K. Significant Change in Employment, Business or Professional Circumstances

In the event of a significant change in circumstances involving a Director's employment status or business or professional association, the Director promptly shall notify the Nominating and Governance Committee of such changed circumstances and shall tender his or her resignation to the Board. The Nominating and Governance Committee shall evaluate the change in circumstances and make a recommendation to the Board whether to accept the resignation. The Board (excluding the concerned Director) shall act expeditiously with respect to such recommendation and promptly notify the Director of its decision.

L. Board Interaction with Institutional Investors and Outside Entities.

The Board believes that management generally should speak for the Company. While individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, it is expected that Board members would do this at the request or with the knowledge of management.

M. Meeting Procedures

The Chairman of the Board and CEO, in consultation with the Lead Independent Director and members of management, generally establishes the agenda for each Board meeting. Each Board member is free to suggest the inclusion of item(s) on the agenda. Information and data that is important to the Board's understanding of the business should be distributed in writing to the Board before the Board meets. Where practical, presentations on specific subjects should be sent to Board members in advance of Board meetings.

III. Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics that complies with the rules of the New York Stock Exchange and applicable law. It is intended to promote honest and ethical business conduct on behalf of the Company by all of its Directors, officers and employees. It addresses conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of Company assets, compliance with laws, rules and regulations (including insider trading laws), and the reporting of any illegal or unethical behavior. The Code also provides guidance to the Company's principal executive, financial and accounting officers, and other persons performing similar functions, in the performance of their duties, particularly with respect to full and accurate financial disclosure of material information in compliance with applicable laws, rules and regulations, and maintaining the Company's books and records in accordance with applicable accounting policies, laws, rules and regulations. Among other topics, the Code addresses: (i) conflicts of interest and the need for honest and ethical conduct; (ii) the need for full and appropriate disclosure in all reports and documents which the Company files with or submits to the SEC and in all public communications of material information made on behalf of the Company, and (iii) the need for compliance with all applicable laws,

rules and regulations. The Code requires the reporting of any violation and authorizes disciplinary action by the Company, up to and including termination of employment.

IV. “Whistleblower” Procedures

Anyone wishing to communicate with the independent directors of the Board may do so by writing to the Lead Independent Director, c/o the Company’s Secretary, 755 W. Big Beaver Road, Suite 1000, Troy, Michigan 48084. The Lead Independent Director, with the assistance of the Company’s Secretary, will be primarily responsible for monitoring communications from Shareholders and providing copies or summaries of such communications to the other Directors, as he or she considers appropriate.

The Company has established procedures in accordance with the rules of the New York Stock Exchange and applicable law for reports by employees, on a confidential, anonymous basis if desired, of actual or suspected unethical or illegal activity, including questionable accounting entries, internal accounting controls or auditing matters, fraud, falsification of company records, release of proprietary company information, theft, insider trading, improper loans, conflicts of interest, and retaliation against a person who reports any abuse of the Company’s policies or guidelines. The Audit Committee is charged with establishing, monitoring and enforcing these procedures. Retaliation in any form against an employee who reports an occurrence or submits a concern in good faith is prohibited. Such communications may be confidential or anonymous, and may be submitted in writing or reported by phone to the Company’s toll free 24/7 “hotline” (1-877-442-0791).

V. Compliance with Listing Standards of the New York Stock Exchange

The Company’s Chief Executive Officer certifies each year to the New York Stock Exchange that he or she is not aware of any violation by the Company of the Exchange’s corporate governance listing standards. Such certification is included in the Company’s annual proxy statement and/or in its annual report on Form 10-K filed with the SEC.

VI. Annual Review

The Nominating and Governance Committee will review these Guidelines at least annually and recommend appropriate changes, if any, to the Board. Any changes to these Guidelines will be disclosed in the Company’s annual proxy statement and/or in its annual report on Form 10-K filed with the SEC. The Nominating and Governance Committee further will review the Company’s compliance with these Corporate Governance Guidelines, as well as other corporate governance requirements to which the Company is subject, periodically and report to the Board on the Company’s performance with respect to such compliance.

Approved by the Board of Directors of Champion Enterprises, Inc. on September 26, 2008.