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| Title: Anti-Bribery and Corruption Policy (“Policy”) | | | |
| Issued by: | Responsible Executive: | Effective Date: | Issue: |
| Legal & Commercial | Michael Barton, Chief Financial Officer | 14 December 2012 | 2 |

Why we have this policy

To ensure that all of Codan’s dealings with third parties, particularly governments and government officials, are carried out according to Codan Core Values, and in compliance with relevant laws and regulations.

What this policy does

This policy sets out Codan’s responsibilities, and of its employees, in observing and upholding Codan’s position on bribery and corruption, and provides information and guidance to employees on how to recognise and deal with bribery and corruption issues.

Related policies / Procedures / Guidelines

Representative Due Diligence Process OP0200-025
Authority Limits for Employees of the Codan Group CP1100-009
Codan Code of Conduct
Commission Agents Policy CP0200-010
Whistleblowers Protection Policy CP1000-060

Scope

This policy applies to:

All legal entities worldwide that are part of the Codan group, including all of its operating units, subsidiaries and affiliates. For the purposes of this policy, the term “Codan” includes all of these entities.

All Codan employees worldwide. For the purposes of this policy, “Codan employees” includes casual, temporary, part-time and fixed-term workers, trainees, seconded staff, volunteers and interns.

All third parties acting for and on behalf of Codan, wherever they are located (including distributors, consultants, contractors and agents).

Laws and regulations

The following laws apply to Codan’s business activities.

- (a) *Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999* (Cth) (Australia)
- (b) Foreign Corrupt Practices Act (US)
- (c) Bribery Act 2010 (UK)
- (d) United Nations Convention against Corruption (UN)
- (e) OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

These laws have serious repercussions and apply to Codan and all Codan employees. They are being actively enforced, with many examples of substantial financial penalties and terms of imprisonment imposed on both companies and individuals engaging in corrupt behaviour.



| | |
|---|----------|
| Title: Anti-Bribery and Corruption Policy (“Policy”) | Issue: 2 |
|---|----------|

POLICY

Corrupt payments - Codan employees must not make, offer to make, promise to make or authorise any improper “payments” or provide “anything of value” to public officials, political candidates, parties or party officials, private individuals or private sector employees to influence or reward any action by that party.

Indirect payments - These prohibitions also apply to any payments or provision of anything of value by a third party for or on behalf of Codan. Codan employees will not make, offer to make, or authorise payment to a third party (e.g., sales agent, distributor or intermediary) with “knowledge” that all or part of the payment will be offered or given to any individual to secure an improper advantage, or obtain or retain business.

Public and private sectors - These prohibitions apply to existing or potential business arrangements to dealings both in the public or private sectors.

Government officials - These prohibitions apply to any payments made to or at the request of government officials, which are of particular concern due to the existence of specific anti-corruption laws in the countries in which we operate.

Third parties - Anti-corruption laws do not always differentiate between conduct of Codan and conduct of a third party acting for and on behalf of Codan. Therefore, it is Codan’s obligation to know its business partners and to ensure that any third parties with and through whom Codan conducts business acknowledge and agree to comply with the principles of this policy.

High risk third parties - Codan employees must be aware that dealings with certain categories of third parties carry a higher risk of corruption and may subject Codan to legal liability, so they will require a higher level of oversight under this policy. In particular, Codan employees must be vigilant when entering into deals with third parties that fall within any of the following categories:

- all commission agents.

- third parties that are organised in and/or operating in high risk markets and are acting on Codan’s behalf.

- third parties acting on Codan’s behalf who interact with government officials.

- third parties (including but not limited to new or potential acquisitions) over whom Codan exercises or will exercise a degree of ownership or control.

Due Diligence of high risk third parties - Codan employees are required to conduct due diligence on high risk third parties and comply with any other requirements of the Third Party Due Diligence Report.

Facilitating payments - For the avoidance of doubt, facilitating payments (otherwise known as “greasing payments” and defined as small payments made to secure or expedite the proper performance of a routine non-discretionary government action by government officials, e.g. issuing licences or permits, processing goods through customs) are no exception and are and therefore prohibited.

Personal safety - This policy does not apply to circumstances in which an employee has a genuine concern about their personal safety and as a consequence meets a demand for a facilitating payment, whether in connection with their employment or not. However, all Codan employees are required to report such incidents arising in the course of their employment to Codan’s Internal Legal Counsel as soon as practicable.

Gifts and hospitality - Prior to giving or receiving, or offering or promising to give or receive, gifts or hospitality, all Codan employees must follow Codan’s gift, hospitality and entertainment rules.



| | |
|---|----------|
| Title: Anti-Bribery and Corruption Policy (“Policy”) | Issue: 2 |
|---|----------|

Permissible activities - This policy does not prevent Codan employees from conducting legitimate business with private parties and the government, as long as it complies with Codan’s policies and procedures. Codan in many instances interacts with government officials in the context of the promotion of Codan’s products, in the execution of a contract with a government entity, and in general, in the legitimate conduct of its business. Under limited circumstances, reasonable and bona fide expenditures, such as actual travel and lodging expenses directly related to such activities are permissible provided that they are permitted by Codan policies, are appropriate in the circumstances, are lawful under the written laws and regulations of the government official’s country and have the appropriate prior review and approval.

Accuracy of books and records - Codan must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. No accounts must be kept "off-book" to facilitate or conceal improper payments.

Responsibilities - All levels of Codan management are responsible for enforcing compliance with this policy and ensuring that Codan employees responsible to them are aware of this policy and the need for compliance. This includes regular monitoring of the Reportable Gifts and Reportable Entertainment received or offered by Codan employees reporting to them. Codan executive management also have specific obligations with regard to implementing the due diligence and oversight of third parties as provided for in the Third Party Due Diligence Framework.

Raising a concern - If at any time you have any question about the application of this policy or you need guidance or assistance in a particular case or if you want to report a circumstance you believe may be a breach or may result in a breach of this policy, you should first escalate your concerns to your manager, then the Legal Department or via Codan’s Whistleblowers Policy. You can do this on a confidential basis.

Disciplinary action - Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

Consequences of infringing the law - Depending on the circumstances, bribery and corruption are punishable for individuals by imprisonment and, if Codan is found to have taken part in corruption, Codan could face an unlimited fine, be excluded from tendering for public contracts and face damage to its reputation. Codan therefore take its legal responsibilities very seriously.

Training and communication - Training on this policy forms part of the induction process for certain new Codan employees. All Codan employees with significant exposure to bribery & corruption issues will receive regular training on how to implement and adhere to this policy. Our zero-tolerance approach to bribery and corruption must also be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.



| | |
|---|----------|
| Title: Anti-Bribery and Corruption Policy (“Policy”) | Issue: 2 |
|---|----------|

Glossary

Anything of value: this term includes, but is not limited to, cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, or provision of any other asset, even if nominal in value.

Government official means:

- Any officer or employee of a government or any department, agency or instrumentality of a government;
- Any person acting in an official capacity for or on behalf of a government or any department, agency, or instrumentality of a government;
- Any officer or employee of a company or business owned in whole or part by a government;
- Any officer or employee of a public international organization such as the World Bank or United Nations;
- Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or
- Any candidate for political office.

High risk markets: Refers to those markets that appear on the annual Transparency International Corruption Perception Index with scores of 50 and below. See link for latest CPI scores: <http://www.transparency.org/>.

Knowledge: An employee is considered to have “knowledge” if the employee (i) is aware that a corrupt payment is being made, (ii) is aware that a corrupt payment is likely to occur, or (iii) or has reason to know that a corrupt payment is likely to occur. Refusal to know, deliberate ignorance, conscious disregard, and wilful blindness are treated as “knowledge” for purposes of this policy.

Payments: This term refers to and includes any direct or indirect offers to pay, promises to pay, authorizations of or payments of anything of value.

Third party: Any individual or organisation an employee comes into contact with during the course of their work for Codan, and includes actual and potential customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.