

Title: **Anti-Bribery and Anti-Corruption Policy (“Policy”)**

Issue: 5

1. Purpose

To ensure that all of Codan’s dealings with Third Parties¹, particularly governments and Government Officials², are carried out according to Codan Core Values, and in compliance with all applicable laws and regulations.

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

2. Scope

This Policy applies to:

- All legal entities worldwide that form part of the Codan group, including all of its operating units, subsidiaries and affiliates. For the purpose 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.

3. 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 CP0000-042
- Entertainment and Travel Policy CP1100-018

4. Policy

4.1 Corrupt Payments

Codan employees must not make, offer to make, promise to make or authorise or to receive or promise to receive any Payments³ or provide Anything of Value⁴ involving public officials, political candidates, parties or party officials, private individuals or private sector employees that is intended to or which may seek to inappropriately influence or reward any action or inaction by that party.

These prohibitions also apply to any Payments or provision of Anything of Value by a Third Party for or on behalf of Codan where Codan employees have Knowledge⁵ or suspect that all or part of the Payment will be offered or given to an individual that is intended to or which may seek to secure an improper advantage, or to obtain or retain business or a business advantage.

¹ Defined in Section 5 Glossary

² Defined in Section 5 Glossary

³ Defined in Section 5 Glossary

⁴ Defined in Section 5 Glossary

⁵ Defined in Section 5 Glossary

Title: **Anti-Bribery and Anti-Corruption Policy (“Policy”)**

Issue: 5

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

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 Australia and in the countries in which we operate.

4.2 Third Party Due Diligence

Anti-corruption laws do not 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. Codan employees are required to conduct due diligence on proposed and current Third Parties and comply with any other requirements contained within the Representative Due Diligence Process.

Codan employees must be aware that dealings with certain categories of Third Parties carry a higher business risk, 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 / fee for service providers;
- Third Parties that are organised in and/or operating in high risk markets⁶ and are acting on Codan’s behalf;
- Third Parties acting on Codan’s behalf who interact with Government Officials; and
- Third Parties (including but not limited to new or potential acquisitions) over whom Codan exercises or will exercise a degree of ownership or control.

4.3 Facilitation Payments

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

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 or any other Payment. However, all Codan employees are required to report, via the completion of the Gratuities Register⁷, such incidents arising in the course of their employment to Codan’s Compliance department as soon as practicable after the event.

4.4 Gratuities

Prior to giving or receiving, or offering or promising to give or receive a Gratuity (as defined below), all Codan employees and Third Parties must follow the procedure set out in Schedule 1 to this Policy.

Gratuities include:

- gifts;
- travel and accommodation benefits, including sponsored travel;
- entertainment and hospitality; and

⁶ 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://transparency.org/>

⁷ Defined in Section 5 Glossary

Title: **Anti-Bribery and Anti-Corruption Policy ("Policy")**

Issue: 5

- charitable donations and sponsorships.

This Policy does not prevent Codan employees and Third Parties from conducting legitimate business with private parties and the government or any Government Official, as long as it complies with Codan's policies and procedures. Codan in many instances interacts with Government Officials to promote 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, and have the appropriate prior review and approval within Codan and the Government Official's relevant authority.

4.5 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 or unauthorised Payments.

4.6 Commitment by Senior Management

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. Codan executive management also have specific obligations with regard to implementing the due diligence and oversight of Third Parties as provided for in the Representative Due Diligence Process.

4.7 Training and Communication

This Policy forms part of the induction process for all new Codan employees. All Codan employees with exposure to bribery and corruption issues will receive regular ongoing training on how to implement and adhere to this Policy. Codan's zero-tolerance approach to bribery and corruption must also be communicated to all relevant suppliers, contractors, business partners and all Third Parties at the outset of Codan's business relationship with them and as appropriate thereafter on a regular basis.

4.8 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 to Codan's Compliance department or via Codan's Whistleblower Protection Policy. You can do this on a confidential basis. As an aid, Schedule 2 is a list of "red flag" circumstances which may indicate a breach of this Policy.

4.9 Applicable Laws / Consequences and Implications

The following laws apply to Codan's business activities.

- (a) *Criminal Code Act 1995* (Cth) (Australia)
- (b) *Foreign Corrupt Practices Act* (US)
- (c) *Bribery Act 2010* (UK)
- (d) *Corruption of Foreign Public Officials Act* (Canada)

These laws reflect international best practices as set out in the United Nations Convention against Corruption (UNCAC) and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Convention).

Title: **Anti-Bribery and Anti-Corruption Policy (“Policy”)**

Issue: 5

A **breach** of these laws will have serious repercussions and they apply to Codan and all Codan employees. They are being actively enforced in Australia and by overseas governments, with many examples of substantial financial penalties and terms of imprisonment imposed on both companies and individuals engaging in corrupt behaviour.

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 a criminal conviction, an unlimited fine, be excluded from tendering for public contracts and face damage to its reputation. Codan therefore takes its legal responsibilities very seriously.

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

4.10 Monitor, Review and Queries

Codan’s Compliance department will monitor compliance with this Policy on an ongoing basis. Codan’s Compliance department will formally review this Policy annually to:

- Ensure the Policy and procedures set out in the Policy remain effective and appropriate for Codan’s business operations;
- Check if reports of breaches were appropriately recorded, investigated and responded to; and
- Determine if any changes are required to this Policy or related procedures.

Should you have any concerns or queries in respect of this Policy and any of its Schedules or how this Policy operates, please forward all such queries or concerns directly to Codan’s Compliance department.

5. 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 the provision of any other asset or benefit, even if nominal in value.

Government Official means:

- Any officer or employee of a government or any department, agency or similar body of a government;
- Any person acting in a formal or informal capacity for or on behalf of a government or any department, agency, or similar body of a government;
- Any officer or employee of a company or business owned by or funded in whole or part by a government or which is an entity that is accustomed to or obliged to act in accordance with the directions, instructions or wishes of a government;
- Any person who holds him or herself out as authorised to act for and on behalf of or to represent a government or a government department, agency or similar body;
- Any officer or employee of a public international organization such as the World Bank or United Nations or other multilateral regional agencies;
- 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.

Gratuities Register is an internal register in which employees record the giving and receiving of Gratuities.



Title: Anti-Bribery and Anti-Corruption Policy (“Policy”)	Issue: 5
--	----------

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 (or believe) 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 any benefit or Anything of Value (nominal or otherwise in dollar, or local currency, terms).

Third Party: Any individual or organisation (a corporate entity or any other form of legal structure) 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.

Title: **Anti-Bribery and Anti-Corruption Policy (“Policy”)**

Issue: 5

Schedule 1 - Gratuities Procedure

1. Scope

This Schedule sets out the guidelines for all Codan employees and Third Parties acting on behalf of Codan, when giving or receiving, or offering or promising to give or receive a Gratuity⁸.

This Schedule is further broken down into Schedule 1A and 1B. Schedule 1A details the guidelines and process when either the provider or recipient of the Gratuity is a Non-Government Official⁹. Schedule 1B details the guidelines and process when either the provider or recipient of the Gratuity involves a Government Official.

2. Sponsored Travel

In appropriate circumstances, Codan may sponsor reasonable and bona fide travel expenses (including transportation and lodging) of customers or potential customers (or their representatives) that are directly related to:

- travel and expenses to visit company facilities or operations, including Factory Acceptance Testing and Pre-Shipment Inspections;
- travel and expenses for training; and
- product demonstration for promotional activities, including travel and expenses for meetings.

For sponsored travel expenses to be approved, the following criteria will be assessed:

- for the purpose of transparency, the travel and related expenses must be properly reported to the sponsored traveller’s employer;
- the principal purpose of the trip must be business-related, and the duration of the sponsored travel must reasonably coincide with legitimate business events or functions. For example, sponsored travel in connection with a two day training session should not last two weeks;
- there must be legitimate business reasons for the sponsored traveller’s attendance;
- Codan will not pay for or reimburse travel expenses for persons accompanying the sponsored traveller (for example, family members); and
- Codan must directly pay for all sponsored travel, including accommodation, flights, meals, and entertainment (where practical). Invoices and tax receipts will be required for all expenses that are submitted to Codan for payment. Expenses that are not supported by invoices or tax receipts will not be paid by Codan. Use of per diems is strongly discouraged for Non-Government Officials and not allowed for Government Officials unless prior approval in advance has been granted by Codan’s Compliance department.

3. Gifts

In appropriate circumstances, Codan may provide gifts to customers or potential customers provided:

- The gift is of nominal value. Examples of inappropriate gifts include luxury goods, expensive alcohol, any form of medication, any item this is unlawful to purchase or sell premium items, collectibles, artwork, antiques, one-of-a-kind items, high fashion, jewellery, and expensive electronics;
- The gift is one of the following:
 - The gift is given seasonally (for example, during celebrations of the Indian Diwali holiday) or on a special occasion (for example, retirement), where failure to give/accept the gift could be perceived as impolite;

⁸ Defined in Section 4.4 of the Policy

⁹ employees of current or prospective commercial customers of Codan, consultants involved in a sales process with Codan and, or suppliers involved in a purchasing process with Codan.

Title: **Anti-Bribery and Anti-Corruption Policy (“Policy”)**

Issue: 5

- A consumable product; or
- A mass-produced product bearing a Codan logo.
- Gifts of cash or cash-equivalents (for example, gift certificates, coupons, securities, disbursement vouchers, club membership or other items that can be readily exchanged for cash) are never permitted.

In appropriate circumstances, Codan and Codan employees may receive gifts, provided:

- All gifts that you receive in the course of Codan business dealings must be reported to your supervisor.
- All gifts received from a Government Official must also be reported to Codan’s Compliance department.
- All gifts must be of a nominal or modest value and be proportionate and reasonable to the business relationship between Codan and the person (or entity) giving the gift.

4. Assessing Reasonableness

To assist in your assessment regards to what is deemed reasonable spend, this schedule must be read in conjunction with Codan’s Entertainment and Travel Policy, which contains guidelines for Codan employees when travelling and entertaining. For the avoidance of doubt, if there is any discrepancy between information contained in the two policies, the detail contained within this Schedule prevails.

Codan’s Compliance department will refer to the US Department of State’s ‘Office of Allowances’ website which lists a maximum daily spend (denominated in US dollars) which can be incurred on lodging, meals and incidentals which can be allowed for Government Officials whilst travelling. For more information, please click on the hyperlink, and specify a location. These rates will be updated on a calendar year basis.

https://aoprals.state.gov/Web920/per_diem_action.asp?MenuHide=1&CountryCode=1118

5. Documentation

All Gratuities provided must be properly recorded in Codan books and records. This means invoices and tax receipts must clearly detail what has been provided, and to whom.

All Gratuities which exceed the nominated thresholds advised below must be recorded and approved in the Gratuities Register before you offer or accept the Gratuity.

6. Approval Process

The authority limits listed in the table below should also be adhered to in conjunction with the employee’s authority limits as stipulated in the Authority Limits for Employees of the Codan Group Policy.

To obtain approval for Gratuities which exceed the below thresholds, you must:

1. Complete the Gratuities Register via the online form located on the Compliance department’s SharePoint site;
2. Select your business unit Financial Controller via the drop down box on the Gratuities Register to request advance approval;
3. Once you have received business unit approval, the request will workflow to Codan’s Compliance department (the **Approver**);
4. You will receive a notification with their decision within three (3) business days; and
5. If the Gratuity is not approved, do not offer it, or (if it relates to a Gratuity offered to you) you must refuse it, or return or donate it.

Title: Anti-Bribery and Anti-Corruption Policy (“Policy”)	Issue: 5
--	----------

Type of Gratuity	Non-Government Official	Government Official
Gifts	AU\$100 threshold ¹⁰ (per recipient) > AU\$100 requires advance approval from Codan’s Compliance department via the online Gratuity Register form	Zero threshold; Seek advance approval from Codan’s Compliance department via the online Gratuity Register form for all \$ values
Sponsored travel	AU\$250 threshold (per recipient) > AU\$250 requires advance approval from Codan’s Compliance department via the online Gratuity Register form	
Business entertainment / hospitality	AU\$150 threshold (per recipient) > AU\$150 requires advance approval from Codan’s Compliance department via the online Gratuity Register form	
Charitable donations and sponsorships	Zero threshold; Seek advance approval from Codan’s Compliance department via the online Gratuity Register form for all \$ values	

¹⁰ Or equivalent amount in local currency



Title: **Anti-Bribery and Anti-Corruption Policy (“Policy”)**

Issue: 5

Schedule 1A - Gratuities involving Non-Government Officials

In making a decision to provide or receive a Gratuity involving a Non-Government Official, the Approver will consider whether:

- The Gratuity is unsolicited;
- The Gratuity is unequivocally ordinary and reasonable;
- The Gratuity does not violate any laws or any internal rules or policies applicable to the recipient;
- The Gratuity is not intended to influence any person regarding any matter or transaction involving Codan;
- The intent of the Gratuity should always be to promote, foster, and/or expand the relationship of Codan with its customers and suppliers;
- Before providing any Gratuity, you must decide that, in your considered judgement;
 - Both you and Codan would be comfortable seeing the Gratuity reported publicly in the press; and
 - You would be comfortable justifying this Gratuity to Codan management.



Title: **Anti-Bribery and Anti-Corruption Policy (“Policy”)**

Issue: 5

Schedule 1B - Gratuities involving a Government Official

Providing Gratuities, including per diems and donations, of any kind to a Government Official is **generally not permitted**. Each case will be subject to particular scrutiny and always requires **advance approval** in writing by Codan’s Compliance department.

Approval requests will be considered with respect to the criteria set forth below:

- Be reasonable and customary under the circumstances;
- Not be motivated by a desire to influence the Government Official inappropriately, or could be viewed as something that was done for the purpose of seeking to influence a Government Official in the exercise of the Official’s duties or work functions in order to secure a benefit or business decision or business advantage to Codan;
- Be tasteful and commensurate with generally accepted standards for professional courtesy in the country where it is given and in the country where the company has its headquarters;
- Be provided openly and transparently;
- Be given in good faith and without expectation of reciprocity;
- Be provided in connection with a bona fide and legitimate business purpose in the case of hospitality and travel;
- Not be provided to any Government Official or group of Government Officials with such regularity or frequency as to create an appearance of impropriety or undermine the purpose of this Policy; and
- The Gratuity is not provided immediately before or after the submission of a public tender or proposal, or while regulatory approvals or decisions are pending, when the recipient or his/her agency might have a role or influence in the evaluation, selection or administration of a tender, contract, or other approval or decision involving or affecting the company’s existing or potential business interest(s).

Title: Anti-Bribery and Anti-Corruption Policy ("Policy")	Issue: 5
--	----------

Schedule 2 - Potential Risk Scenarios – “Red flags”

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

- A Third Party requests an unexpected additional fee or commission to "facilitate" a service.
- A Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with Codan, or carrying out a government function or process for Codan.
- A Third Party requests Payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a Payment made.
- You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided. A request for unusually high compensation or other fee may indicate that part of the commission payment or fee will or may be used for improper Payments.
- Requests for free samples of products from a Third Party.
- You become aware that a Third Party engages in, or has been accused of engaging in, improper business practices in the Third Party's home country.
- A Third Party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or the provision of services.
- You learn that a Third Party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with a foreign government or foreign Government Officials.
- A Third Party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to Codan.
- A Government Official recommends that Codan hires a specific person or company to act as a contractor, supplier or partner. The official may be seeking a direct or indirect benefit through kickbacks received from a favoured contractor.
- A contractor or Third Party lacks qualifications to perform the services offered or contributes nothing of value to a deal apart from influence.
- The Third Party is rumoured to have a "silent partner" who is a Government Official.
- A Third Party requests that Payment is made to a country or geographic location different from where the Third Party resides or conducts business or to an unusual bank account or in a name not usually known to you or Codan.
- A Third Party requests that a Payment is made to "overlook" potential legal violations.
- A Third Party requests that you provide employment or some other advantage to a friend or relative.
- You receive an invoice from a Third Party that appears to be non-standard or customised or describes work by reference to generic activities such as "marketing services", "marketing support" or "promotional activities".
- You are offered an unusually generous gift or offered lavish hospitality by a Third Party.

Title: Anti-Bribery and Anti-Corruption Policy (“Policy”)	Issue: 5
--	----------

- A Third Party proposes to be paid a large contingency fee if for example, a government contract is awarded, or a favourable regulatory change is achieved. This type of compensation structure can create an incentive for the Third Party to make an improper Payment in order to achieve a favourable result.
- Unusual tendering processes or a request for some form of “co-operation” with another party in a tender.
- A Third Party refuses to certify that it will not take any action in furtherance of an improper Payment or business practice. All Third Parties that do business with Codan should be prepared to give this standard commercial assurance or certification if required.
- A Third Party refuses or fails to provide a proper explanation for expenses incurred on behalf of Codan or refuses to have or abide by proper financial controls set out in an agreement which can be independently audited.
- A Third Party's company is not listed in standard industry directories or is not known to people knowledgeable about the industry.
- A contractor or agent requests that his or her agreement be kept secret from his or her employer/principal or that his or her identity not be disclosed to a Third Party.
- A contractor or agent insists on having sole control of any foreign government approvals or dealing with a foreign government or any department, agency or instrumentality of a foreign government.
- A background check of the principals of a Third Party company uncovers unusually close links to, or some degree of ownership by, a Government Official or a disreputable political party.
- Sequential duplicative invoice numbers from a contractor.
- Lack of transparency in expenses and accounting records.
- Duplicate invoices paid twice.
- A contractor with the same address or bank account as a government office or Government Official or an employee.
- Payment to a politician's family or associate.
- Payment to an invalid address or P.O. box.
- A Third Party insists on the use of side letters or refuses to put terms agreed in writing.