

THE WAY WE CHOOSE TO DO BUSINESS

INSURANCE AUSTRALIA GROUP
CODE OF ETHICS

ABOUT THIS CODE

The global business environment is continuously demanding more from us as a company and as employees. Not only does the world expect us to deliver the best products and services, it expects us also to conduct ourselves ethically and responsibly.

We believe that ethical conduct is an integral component of running our business successfully for the long term. When our stakeholders interact with our people at Insurance Australia Group (IAG), we want them to be assured that we are acting with integrity and in a responsible, ethical way.

The Way We Choose To Do Business sets out our expectations of every person at IAG. Everyone at IAG is responsible for achieving the highest levels of business conduct and we are all accountable for delivering our everyday activities in a way that reflects the ethical principles set out in this Code.

The Way We Choose To Do Business is strongly influenced by IAG's promises and values. The ethical principles in this Code will assist us in determining the most appropriate way to deliver on our promises of paying claims, understanding and pricing risk, managing our costs and reducing risk.

Maintaining high standards requires our total commitment to these sound ethical principles and to IAG's values. Throughout this Code we emphasise our values – we are strongly committed to our conviction that IAG can best achieve its business goals through integrity, transparency, teamwork, meritocracy and social responsibility.

In providing this Code, we undertake to all of our people that no-one will be penalised for any impact, including the loss of business, which may result from adherence to these ethical principles.

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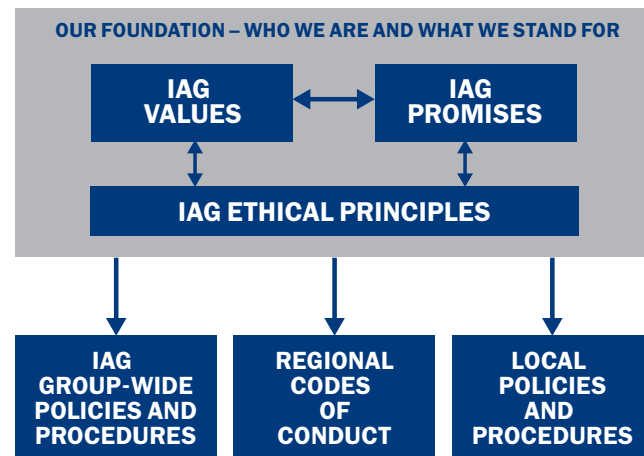
1. INTRODUCTION TO OUR ETHICAL PRINCIPLES

What is the Code of Ethics?

The IAG Code of Ethics (the Code) provides the basic foundations that help guide our ethical conduct.

The Code is not meant to replace our detailed policies, rather it is a statement of our basic ethical principles in a number of important areas.

Codes of conduct, while consistent with the Code, will provide more specific guidance and may vary across regions, depending on the legal and regulatory rules that apply.



What are Our Ethical Principles?

The Code expresses the fundamental ethical principles that are applicable across all parts of the business, regardless of the country of operation.

Our ethical principles are provided to help guide each of our people when they make a judgement on what is right, proper and appropriate in a given situation. These ethical principles will assist us in:

- Determining the most appropriate way to deliver on the IAG promises of paying claims, understanding and pricing risk, managing our costs and reducing risk; and
- Bringing the IAG values of integrity, transparency, teamwork, meritocracy and social responsibility to life in our daily behaviour.

These principles are organised into four areas:

1. The Way We Operate – Our Governance;
2. The Way We Work – Our People;
3. The Way We Help – Our Customers; and
4. The Way We Help to Reduce Risk – the Community and the Environment.

What are Our Expectations?

For each of us our ethical behaviour is a series of choices and decisions.

At IAG we are all accountable for ensuring that these decisions are in accordance with all laws and regulations of the countries in which we operate, as well as being consistent with our ethical principles as set out in this Code and the IAG policies and standards that relate directly to our duties.

We are all expected to be proactive in identifying behaviours that are not in accordance with the Code and to address them or report them as appropriate. We promote a culture that encourages us to raise issues of concern as they are identified rather than concealing or ignoring them.

Who Does the Code Apply to?

The Code applies to:

- All employees of entities where IAG has majority ownership or which are otherwise considered to be IAG subsidiaries; and
- All non-executive directors.

2. IAG PURPOSE

We believe building a common culture based on our four promises will enable us to deliver value to our customers and shareholders over the long term.

IAG PROMISES

Paying Claims

We promise to pay claims.

An insurance policy is essentially a promise to pay claims. We make every effort to pay our customers' claims quickly and with empathy. As part of this promise we aim to educate our customers so they understand what their policy covers.

Understanding and Pricing Risk

We promise to understand and price risk appropriately.

Our customers rightly expect us to be experts in pricing and assessing risk fairly and accurately – after all it is our core business.

Managing Our Costs

We promise to work hard at making insurance more affordable.

We expect everyone in the company to be mindful of how they use resources and to work to constantly improve the efficiency of our business. In this way we are able to maintain the affordability of insurance for our customers and at the same time ensure profitability for shareholders.

Reducing Risk

We promise to help our customers and the broader community reduce risk.

No one wants to experience the hardship that leads to making an insurance claim. We use the information we collect to help our customers and the wider community to identify the major risks and work to reduce them, making everyone safer.

3. IAG VALUES

The foundation of all we do is what we value as an organisation. At IAG, what we value determines the behaviours that drive the performance that is required by our shareholders, employees and customers.

AT IAG

We value PERFORMANCE

In the way that we collaborate to deliver the highest level of sustainable business outcomes for our shareholders, customers and communities.

We value INTEGRITY

Through the application of the highest standards of honesty and openness in our interactions with colleagues, customers, shareholders and other stakeholders.

We value RESPECT

In the way that we treat our customers and colleagues, and for the diversity that they represent.

We value A CONSIDERED SENSE OF URGENCY

In the way that we approach our business with a 'can-do' attitude.

4. THE WAY WE OPERATE

OUR GOVERNANCE

Financial Crime

We are committed to preventing, detecting and investigating financial crime and working with other organisations to reduce opportunities for fraud or criminal misconduct.

Dealing with Governments

We respect the authority of governments in the countries in which we operate and are committed to maintaining honest, open and cooperative relationships with governments and regulatory officials. We believe in remaining impartial in relation to party politics.

Bribery and Corruption

We value open and honest relationships with all parties and believe that bribery and corruption should not play any part in our business dealings, including influencing a business relationship or decision.

Gifts, Entertainment and Other Benefits

We believe that gifts, entertainment and other benefits can compromise our ability to make objective and fair business decisions and should only be accepted where they cannot be perceived to unfairly or illegally influence a business relationship or decision and are within reasonable limits.

Risk Management

We believe that managing risk is vital for the sustainability of IAG and supports the achievement of our business goals. We want to maintain a proactive risk culture that delivers consistent risk management behaviour.

Use of Third Parties and Agents

We believe in using agents or third parties to represent IAG's interests where it is the most efficient way of doing business and for them to do so according to our ethical principles.

Use of Information Systems

We believe that our Information Technology must be used responsibly and that we have a responsibility to protect company information communicated or stored using these systems.

Intellectual Property

We are committed to respecting the Intellectual Property rights of third parties and to protecting our own Intellectual Property rights attached to the work of all our people, including ensuring that our people take appropriate measures to safeguard our Intellectual Property.

Public Disclosure of Company Information

We believe in communicating with all of our stakeholders in a way that is transparent, honest, accurate and timely and respects privacy and other legal requirements.

Conflicts of Interest

We believe that our people should avoid situations where personal or professional interests conflict or appear to conflict with carrying out their responsibilities as representatives of IAG.

Insider Trading

We believe that our people must ensure that they do not use inside information in any trading by them in securities issued by entities within IAG and that they do not communicate inside information to another person who may trade in IAG securities.

Human Rights

We respect and support the UN Universal Declaration of Human Rights and acknowledge that in our growth as a multinational organisation, we will need to continue to consider and integrate human rights policies and thinking into all of our operations.

5. THE WAY WE WORK OUR PEOPLE

Working at IAG

We are committed to meeting the needs of our people by providing a working environment where everyone is provided with opportunities to achieve personal fulfilment and development.

Managing Our People

We believe that a sustainable workforce is crucial to achieving long term success and will strive to provide a working environment that is based on the principles of high performance, productivity and flexibility.

Developing Our People

We believe in providing our people with the development opportunities to assist them in carrying out their roles and to help them realise their fullest career potential.

Equal Opportunity

We believe in treating our people fairly and on an equal basis regardless of age, gender, disability, race or religion.

Diversity

We believe that our culture should value rather than tolerate differences and allow a flexible and inclusive work environment that supports all of our people in achieving their potential.

Cultural Sensitivity

We believe in respecting and being sensitive to the cultures and customs of the countries in which we operate.

Work and Life

We believe that a healthy workplace involves a flexible work environment that allows our people to balance work with their personal commitments.

Occupational Health and Safety

We believe in providing a healthy, safe and clean environment for our people, customers and visitors and aim to foster and sustain a positive safety culture in all of our workplaces.

Remuneration

We believe in attracting and retaining high quality people, paying our people fairly, and supporting, recognising and rewarding high performance.

Speaking Up

We want our people to speak up about issues of concern or when they suspect any behaviour that may breach any laws or IAG policies.

Grievances

We believe in providing a workplace environment that is sensitive to grievances and are committed to providing an environment where grievances can be discussed and resolved.

Our Rights at Work

We respect and support the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and are committed to ensuring that our people enjoy the fundamental rights ascribed to them in this declaration and in the labour standards and laws of the countries in which we operate.

Political Activity

We acknowledge that our people have the right to take part in political activities as individuals but not as representatives of IAG.

6. THE WAY WE HELP OUR CUSTOMERS

Helping Our Customers

We believe that the insurance products and services we provide must have the central focus of helping our customers and recognise that there is potential for us to interact more with customers to help them minimise their risks.

Customer Complaints

We welcome feedback from our customers and believe that it helps us to remain open and responsive to their needs and expectations, and ensures we continually improve the experience our customers have when they deal with us.

The Privacy of Our Customers

We respect confidentiality and our customers' right to privacy and will strive to maintain the confidence our customers have in us to properly handle their confidential information. We will only release customer data to a third party when approved by the customer or required by law.

Accountability for Our Marketing

We believe in marketing and selling our products responsibly and being accountable for the promises we make in our advertising and marketing.

Access to Insurance

We believe in understanding the needs of the communities in the countries in which we operate regarding access to insurance, particularly low income earners and rural and regional customers and working to develop products and services that meet those needs.

Supporting Industry Standards and Codes

We support standards and codes that improve the performance of the industry and we will be held responsible for our performance in relation to those standards and codes that we endorse.

Trade and Competition

We support the principles of fair and open trading and believe in competing for business in a fair and ethical manner.

7. THE WAY WE HELP TO REDUCE RISK

THE COMMUNITY AND THE ENVIRONMENT

Community Engagement

We are committed to understanding and supporting the communities in the countries in which we operate, with a focus on reducing risk for our shareholders, our customers, our people and all of our collective stakeholders.

Community Investment

We will partner with organisations and projects that reflect our desire to help the community to reduce risk in the areas of safety and the environment.

Understanding Insurance

We recognise that the community would like to know more about insurance and how it works and are committed to helping the communities in which we operate to better understand the consequences of underinsurance and non-insurance.

Disadvantaged Groups

We recognise that in some countries there are groups of people who have traditionally suffered disadvantage in the workplace and in the broader community and we are mindful of their business and social needs. We are committed to ensuring that our policies and actions do not reduce the rights of these people or deny them access to services to which they are entitled.

Environment Risks and Opportunities

We believe that it makes commercial sense to understand environmental risks and opportunities and are committed to sharing our experience in assessing complex risks as a contribution to addressing environmental issues.

Recognising Our Impact

We recognise that our business has impacts on the community, the environment and the wider economy. We believe that it is good business to operate in a way that recognises adverse impacts and manages them effectively.

Our Environmental Management

We recognise that our business activities have direct and indirect environmental impacts and are committed to actively reducing our key environmental impacts across all of our operations.

Climate Change

We believe that human induced climate change represents an unprecedented and highly complex threat to long term economic and social interests and are committed to understanding the risks to our business and the community. We seek to maximise the potential shared benefits for the community and IAG by working together to address the adverse impacts of climate change.

Advocacy

We believe that we have a significant role to play in increasing awareness in the community of the benefits of managing and reducing risk, through advocacy and communication activities.

8. RESOLVING ETHICAL DILEMMAS

Ethical behaviour and decision making extends beyond legal requirements and as such requires you to exercise judgement and accept personal responsibility.

At IAG we encourage you to seek help or engage others in dialogue and debate to identify the best course of action.

When faced with an ethical dilemma, begin by asking yourself the following questions:

- Do my intended actions comply with relevant laws and regulations?
- Do my intended actions reflect the IAG values?
- Do my intended actions follow the ethical principles in the IAG Code of Ethics?
- If reported in the newspaper, would my intended actions be viewed positively?
- Would I be happy if my intended actions were done to me or a loved one?
- Would I and those I respect be proud of my intended actions both now and in the future?

If you answer 'not sure' or 'no' to any of these questions refer to the *Asking for Advice and Reporting Concerns* section and discuss the situation and your intended actions or decisions with one of these resources.

9. ASKING FOR ADVICE AND REPORTING CONCERNS

There is always someone at IAG who can help you when you need assistance with ethical concerns.

You can use the following resources for help, information or guidance about an ethics matter or to report a suspected incident.

Your concerns will be taken seriously and addressed in a thorough and professional manner, regardless of the method you choose. When potential misconduct is reported, we will investigate and take appropriate action.

Your Manager

In most cases your manager is the best person to speak to. If you are unsure about the most appropriate course of action to take in any situation, you can ask for advice by consulting your manager.

Your Next Level Manager

In special cases where you feel that it is inappropriate to consult your direct manager, you can consult your manager's manager for advice or to report ethical concerns.

Your Local Human Resources Team

Your local human resources team is available to discuss any ethical matters or dilemmas you might have, as well as concerns involving grievances, performance and equality of opportunity or harassment complaints.

Anonymous Reporting Services

If you suspect serious inappropriate behaviour and feel uncomfortable using the above channels, consult your local human resources team to find out about processes for anonymous reporting.

IAG WILL NOT TOLERATE ANY RETALIATION IN ANY FORM AGAINST PEOPLE WHO, IN GOOD FAITH, REPORT SUSPECTED ETHICAL OR LEGAL MISCONDUCT OR POLICY VIOLATIONS.