

CODE OF CONDUCT AUSTRALIA

CODE OF CONDUCT

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The Code of Conduct applies to all employees of the companies within the Insurance Australia Group ('the Group') in Australia.

The Code of Conduct is designed to make employees aware of their responsibility to perform their duties in an ethical and appropriate manner and to ensure that IAG maintains its reputation as a good corporate citizen.

ENSURING INTEGRITY

It is important to maintain the Group's reputation for honesty and integrity. You should therefore be open and honest in all your dealings with the Group as an employee and customer.

Dishonest and Fraudulent Behaviour

You must immediately report any possible fraudulent activity including theft of company property, breach of any legal, regulatory or organisational requirement, or inappropriate practices or behaviour which affects the Group to your manager, HR Business Partner/ Representative or directly to the Fraud Hotline (1800 237 283). Managers must ensure that any allegations of dishonest or fraudulent behaviour are reported to the Fraud Hotline (1800 237 283) and a HR Business Partner/Representative within their division, as soon as possible after becoming aware of the allegations.

For further details, please refer to the Incident Reporting Page on the intranet.

Audits are regularly conducted to ensure the integrity and security of our people, systems and processes. You must fully cooperate with any audit or investigation where required.

Serious disciplinary action, including termination of employment, will be taken against any employee who is involved in theft, fraud or other dishonest behaviour.

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Conflicts of Interest

A conflict of interest is a situation where your personal or professional interests may conflict with your position and your obligations and responsibilities as an employee to the Group. It may also include situations where you act in a way or use your influence as an IAG employee that would compromise IAG's reputation or affect the conduct of IAG's business.

You must make every effort to avoid conflicts of interest. For example, if your position brings you into business contact with your personal interests, or those of family or friends, and there is likely to be a conflict of interest, you must inform your manager or your Risk and Compliance Manager via the Compliance Mailbox on the intranet.

A conflict of interest may arise in situations such as:

- a manager signing off on their own business related expenses;
- if an employee attempts to obtain a benefit by approving or recommending a transaction;
- an employee who favours a supplier during a tender process due to a personal relationship with them;
- an employee using their position to influence an outcome on a personal claim or in conducting business with the Group.

There are a number of situations which may constitute a conflict of interest. If you are not sure whether a situation constitutes a conflict of interest, speak to your manager, Risk and Compliance Manager or HR Business Partner/Representative.

Employment Outside the Group

Employment undertaken outside of work hours is permitted, unless that employment causes a conflict of interest. For example, any work performed for a competitor is likely to produce a conflict of interest. If you are unclear about whether a conflict of interest may exist you should speak with your manager.

Use of the Group's equipment, information or property is prohibited for work done outside of the Group.

Staff Business

Under no circumstances should you view, handle or process any form of the Group's business, such as insurance policies or claims for yourself, family, friends, colleagues or associates. This includes amending or creating policies, authorising payments or changing personal details.

An example of how this might happen in the workplace

Reema is a claims consultant in the Call Centre. Reema's parents realise their insurance policy has lapsed so call Reema at work to ask her to renew it. Reema knows she is not meant to handle business for herself, family, friends or colleagues so she asks a claims consultant in the call centre and asks them to set up the policy for her parents.

Ben, the claims consultant requires personal information regarding the policy holders to set up the policy. Reema fills in the required documents on behalf of her parents believing she is doing nothing wrong as she is not actually setting up the policy herself.

Once the policy is activated Reema accesses it to ensure her parents have enough contents cover. She thinks they have underestimated their household contents so calls them and suggests they increase the cover. Reema's mum phones Ben and asks him to increase their contents insurance, telling him that their daughter, Reema had a look at the policy on the system and thinks they are underinsured.

Ben is uncomfortable as he knows employees of IAG, are not allowed to view, handle or process any business for themselves, family and friends. Ben mentions his feelings to his manager who discusses the situation with their HR Business Partner to discuss what appropriate action needs to be taken.

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It is important to remain 'at arms length' to any business that you have with the Group. Many parts of the business have procedures in place in relation to employees doing business with the Group to ensure that employees do not handle any business for themselves, family, friends, colleagues or associates. If you are unsure about these procedures, discuss this with your manager.

Purchase of Goods and Services

The purchase of goods and services from a trade contact or supplier, or the purchase of salvage or property associated with a claim, is permitted only with the prior written approval of your manager. A fair market price must be paid for any goods or services purchased to ensure that you are not placed in a position where you may create a sense of obligation to the trade contact or supplier.

For more specific information regarding specific procedures in place in a division, please refer to the intranet or speak with your manager.

An example of where purchase of goods and services is a breach of the Code of Conduct

John, a Motor Assessor at a Care and Repair Centre is assessing a 4WD. John thinks a 4WD would be a good family car as his current car is getting too small for his growing family. He knows the car can be repaired but decides to alter the figures so that it will be a total-loss and as a result, sold at auction through the salvage centre. John determines when the vehicle will be auctioned. He attends the auction and purchases it for a significantly cheaper price than if he had bought it as a second hand car.

John's manager was unaware that John purchased the car until after the auction when he overheard John telling another Motor Assessor what a great price he got for it.

This situation would constitute a breach of the Code of Conduct because John did not speak to his manager about purchasing salvage before completing the transaction and gain written approval to ensure that a reasonable price was paid for the vehicle. The situation also created a conflict of interest for John because he used his position as a Motor Assessor to influence a decision about the condition of the car for personal gain.

This resulted in John getting a benefit to which he was not entitled.

Gifts and Benefits

Great care must be taken when accepting gifts or benefits as they may create a sense of obligation to the donor. Any gift, favour or other benefit must be declared to your manager.

You and your manager must decide whether to return the gift or benefit, donate it to charity, or share it between employees.

You must always act in an ethical manner and under no circumstances should you offer or accept any improper payments or bribes.

You and your manager should agree what trade nights or social events you can attend which are related to your position.

COMPLIANCE WITH LEGAL AND REGULATORY REQUIREMENTS

The Group is required to comply with a number of laws, regulations, industry codes and organisational policies and practices that regulate the conduct of the Group's businesses. To ensure that the Group meets its obligations, you will be required to undertake training in these areas. For more information on compliance training required, you should refer to your Learning and Development team or the intranet.

Dealing in Insurance Australia Group Limited (IAG) Shares

Insider trading in IAG shares is illegal and can result in substantial penalties, including gaol terms. Such illegal conduct will lead to disciplinary action and may lead to termination of employment. Senior Managers and nominated employees may only buy or sell IAG shares during three dealing window periods during the year. For further details, please refer to the Security Trading Policy on the intranet.

CONFIDENTIALITY

During your employment, you will become aware of, and have access to, personal information about customers, employees and other individuals and the Group's commercially sensitive information. This may include the types of policies a customer holds, customer contact details, supplier details and arrangements, etc. You must keep this information confidential and only use it for IAG business purposes.

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Protecting Confidential Information

Information about the Group and its customers is confidential and remains the property of the Group at all times.

Confidential information is all information disclosed, provided or otherwise made available during your employment, work you have contributed to or made in the course of your employment, which may include but is not limited to the business and affairs of the Group.

'Confidential information' does not include information that was public knowledge when your employment with the Group commenced or became so at a later date (other than as a result of a breach of confidentiality by, or involving, you).

Confidential information must only be used in the course of your employment and may not be released or taken offsite without authorisation from your manager.

- Commercially sensitive documents, records and files must be stored securely and not left where visible.
- Confidential information must not be left on computer screens and you must not share your computer access passwords with others.
- Computer systems must be secured and used for business purposes only. This ensures long term integrity of systems and confidentiality of business, customer and employee data.

- You must not misuse email or internet systems and should refer to the Email and Internet Access/Usage Policy which outlines appropriate use. Misuse of IAG's email or internet systems may result in disciplinary action which may include termination of employment.

If you are not sure whether any information is confidential information, you must speak with your manager before you disclose this information.

For more information and detail about the physical security requirements of the Group, including building access and IAG's clean desk requirements you should refer to the Physical Security Policy on the intranet.

An example of a breach of confidentiality:

Tony and Max used to work together at IAG in the Retail Sales and Service business before Max received an offer from a competitor that he could not refuse. Tony and Max still make the effort to catch up for lunch occasionally and talk about the old days at IAG and what everyone is up to now. They often compare what their companies are currently doing in the marketplace and any new company initiatives. At a recent lunch, Max asked Tony if he could forward him a copy of a marketing strategy that they had worked on whilst they worked together at IAG. Tony forwarded the strategy paper to Max because they had spent months developing the strategy paper and thought that it was only fair that Max have a copy. The document contained sensitive confidential information about IAG's customer base and strategies to increase premium over the next 12 months. The document was marked 'private and confidential.'

This example is a serious breach of the Code of Conduct because the strategy paper was the property of IAG and contained sensitive confidential information which could impact on the Company's competitive position in the market. Tony did not have the authority to send this document to an ex-employee. This situation was made worse because Max was now working for a competitor.

Confidentiality after Ceasing Employment

Your obligation to protect the Group's confidential information continues after your employment ceases. This means you must not use the Group's confidential information for your own benefit or the benefit of anybody else, disclose it to any third party, copy it or take it with you when you leave. The Group takes these obligations seriously and will take whatever legal action is necessary to protect its confidential information.

For more information you should refer to your contract of employment or the confidentiality agreement signed at the beginning of your employment.

Privacy Act Obligations

Compliance with the Privacy Act is mandatory. You have an obligation and personal responsibility to respect our customer's, other employees' and individuals,' right to privacy. This means doing everything reasonably within your power to protect the security of any personal information you handle in the course of doing your job. Personal information about customers, employees and other individuals should only be used in the course of your employment. For more information, speak to your manager or refer to the Privacy section on the intranet.

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COMMUNICATION

Media or public comment about the Group can only be made by employees authorised to do so. You must inform Corporate Affairs as soon as any media enquiries are received. If you have any doubt about who is authorised to speak to the media, please contact Corporate Affairs.

For all enquiries relating to IAG's financial performance or share price please contact the Corporate Affairs and Investor Relations team. Our communication with investors is governed by the Corporations Act and ASX listings rules, which means only authorised people can comment on IAG's financial performance. For further information, please refer to the Continuous Disclosure policy on the intranet.

Media and communication take many forms including for example, newsprint, radio, television, and social media such as Facebook, YouTube, LinkedIn and Twitter. Text, email, presentations, statements, comments at an industry or professional seminar, including via a professional journal or other publication, are also forms of communication.

The lines between professional and personal communication interactions can be blurry. Employees need to follow the same principles, ethical standards and confidentiality requirements in all their communications, regardless of the medium. This means exercising care in making any statements, presentations, comments, distributing any video, webcam or other footage through any media or any other form used to communicate now and in the future.

Think carefully before communicating or publishing content in a public domain. At all times you must ensure that you do not:

- misrepresent any personal comments as IAG authorised comments, statements or activities;
- make derogatory comments about IAG, any members of the Group or any of its competitors;
- make discriminatory, defamatory, derogatory comments or statements regarding individual employees, directors of IAG, any members of the Group, or any competitor;
- bring the Group, any member of the Group or its brands into disrepute.

If you have any questions about what is appropriate or inappropriate use, speak with your manager or Human Resources department.

You can also find more information on your divisional intranet about speaking externally, social media guidelines, and our continuous disclosure policy.

EEO AND ANTI-HARASSMENT

The Group is committed to equal employment opportunities for all employees. All employees will be treated fairly and with respect and no person will be discriminated against on the basis of race, colour, sex, sexual preference, age, physical or mental disability, marital status, family responsibilities, pregnancy, religion, political opinion, national extraction or social origin.

The Group will not tolerate any form of sexual harassment. Sexual harassment is any form of unwelcome and uninvited words, or conduct, of a sexual nature that a reasonable person would find offensive, humiliating, intimidating or embarrassing.

Every employee is responsible for ensuring that harassment or discrimination does not occur in their workplace. As part of this, all employees must complete the online Diversity and EEO course. For further information, refer to the Human Resources section on the intranet.

Examples of acceptable and unacceptable uses of social media:

<p>I'm Head of Operations for XYZ insurance business; I've got a team of 25; I've got an MBA from Melbourne Uni.</p>	<p>✓</p>	<p>It's okay to put information about your work history and current role on networking sites such as LinkedIn, as long as you don't disclose new information about business activities.</p>
<p>I'm Head of Operations for XYZ insurance business; my current focus is a new business venture in South Australia.</p>	<p>✗</p>	<p>It's okay to put information about your work history and current role on networking sites such as LinkedIn, as long as you don't disclose information about business activities. In this fictional example, the business content is actually about our strategy, which might not have been disclosed to the market – so you should not include it.</p>

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An example of sexual harassment

This year the annual Christmas party was held in the local restaurant. Dinner and drinks were paid for by IAG. Everyone was dancing and generally having a really good time. Two employees, Ms Smith and Mr Jones were dancing together when Mr Jones tried to kiss Ms Smith. Ms Smith pushed Mr Jones away and told him to stop but he persisted, thinking Ms Smith was interested in him. Ms Smith finally pulled herself free and left the venue to go home. After Ms Smith left Mr Jones began sending her suggestive text messages to her work mobile phone. Ms Smith replied to the text messages telling Mr Jones to stop sending the messages but Mr Jones thought it was all harmless fun.

On Monday when Ms Smith returned to work she put in a complaint about Mr Jones' behaviour at the dinner and the harassing text messages that followed. Ms Smith didn't think that she could work in the same team as Mr Jones anymore as she felt uncomfortable around him after what had happened.

Even though the event was after normal work hours, it was still considered a work related function. Therefore, all employees are still required to act appropriately and as representatives of IAG.

OCCUPATIONAL HEALTH AND SAFETY

The Group is committed to ensuring a healthy and safe environment for our people, customers, contractors and visitors, and to fostering a positive safety culture in all of our workplaces.

As detailed in the Health and Safety Policy all employees play a vital and responsible role in helping to maintain a safe and healthy workplace through their obligation to:

- Take all reasonable care for the health and safety of themselves and other persons at work, and those who may be affected by their actions or inaction
- Follow any reasonable instructions given in relation to health and safety at work
- Controlling risks in the workplace within the constraints of their role
- Report incidents and unsafe conditions to their managers immediately.

The Health and Safety Policy can be accessed via the intranet.

Drugs and Alcohol

The use of drugs and alcohol may impair an employee's capacity to perform their job safely, efficiently and with respect for work colleagues and customers.

No employee is to commence work, or return to work whilst under the influence of alcohol or drugs if that influence impairs the employee's work performance. Any concerns should be raised with a manager immediately.

Employees found to be under the influence of illegal or illicit drugs or alcohol whilst at work may be subject to disciplinary action which includes termination of their employment.

The unauthorised use, sale, possession or distribution of any type of drug is prohibited at all times on IAG premises. If an employee is found to request, purchase, possess, distribute or use an illegal or illicit drug on IAG's premises then the employee will be subject to disciplinary action which includes termination of their employment.

The Group provides the services of a confidential Employee Assistance Program to assist employees in the treatment of alcohol or drug problems.

YOUR RESPONSIBILITIES

It is the responsibility of all employees to ensure that they work in a manner consistent with this Code and to report any possible breaches of the Code to your Manager, HR Business Partner/Representative, Risk and Compliance Manager, or via the incident reporting page on the intranet.

To ensure that all employees understand their responsibilities under the Code of Conduct, every employee is required to complete the online Code of Conduct course.

If you are unsure about any aspect of this Code please speak to your manager.

Employees who breach this Code of Conduct may face disciplinary action including termination of employment.

Further information on matters covered in this Code can be obtained through your manager, HR Business Partner/Representative and from policies on the intranet.