



Group Fraud, Financial Crime and Conflicts of Interest Policy

Why this is important

1. This Policy sets out IAG's requirements for managing fraud, bribery and corruption, conflicts of interest, money laundering and terrorism financing risks and compliance with relevant laws (collectively 'these risks'). It is important because these risks can impact our customers, financial position, reputation, and more broadly, harm our communities. It supports IAG's purpose and strategy by prohibiting unlawful behaviours and requiring conduct that meets the regulatory requirements that IAG must follow.
2. This Policy is designed to:
 - a. promote honesty and integrity;
 - b. ensure IAG meets its legal and regulatory requirements;
 - c. ensure fraud, bribery and corruption, conflicts of interest, and money laundering and terrorism financing risks are effectively identified, assessed and managed;
 - d. ensure people know what is expected of them and how IAG manages these risks; and
 - e. assist all employees to adhere to the expected behaviour as set out in the Code of Ethics and Conduct.

Who this applies to and when

3. This Policy applies to Insurance Australia Group Limited, its subsidiaries and any other entity or joint venture which it controls (collectively IAG) and all its employees, contractors and Directors¹.
4. It applies whenever you act for or on behalf of IAG and includes when you are using IAG products or services.
5. If applicable local or extra territorial laws, or other regulations in a country, state, territory or region are more restrictive than this Policy or Australian laws, then you must comply with the more restrictive requirements.

Requirements

6. You are required to act with honesty and integrity, in line with IAG's Code of Ethics and Conduct and in line with relevant laws.
7. You must not engage in, condone, tolerate or ignore any attempt, or suspected attempt, to:
 - a. Commit any type of fraud or any corrupt behaviour, including but not limited to internal fraud, external fraud, bribery and collusion.
 - b. Use IAG's products or funds for Money Laundering or Terrorism Financing.
 - c. Compromise, or appear to compromise decision-making by giving or accepting money, Gifts, Benefits, or Hospitality, including entertainment and events. Refer to the Group Anti-Bribery and Corruption Standard for further information on Gifts, Benefits and Hospitality approval thresholds and reporting requirements.
 - d. Offer or make a Facilitation Payment, of any kind, regardless of the provisions of applicable law. The exception is if a Facilitation Payment is necessary to prevent a perceived or actual immediate danger to your, or another individual's, personal safety. Refer to the Group Anti-Bribery and Corruption Standard for further information.

¹ The applicable policy for directors is the *Board Policy on Management of Conflicts of Interest (draft)* which can be obtained from IAG Legal and Company Secretariat.

8. You must identify, escalate, report and manage any situation that creates an actual, potential, or perceived conflict of interest, including whenever an intragroup conflict of interest arises between related entities within IAG, by:
 - a. Applying the 'trust test': 'would others trust my judgement if they knew I was in this situation?'; set out in the Group Conflicts of Interest Guideline. If your answer is 'No' then you may be in a situation that creates a conflict of interest.
 - b. Recording it in the Potential Conflicts of Interest Register. If you do not have access to the register, you must keep your own record of each conflict of interest and manage it in accordance with the requirements of this Policy and the Group Conflicts of Interest Guideline.
 - c. Determining a suitable course of action to manage the conflict(s) of interest in line with the Group Conflicts of Interest Guideline.
9. You must keep accurate and complete records of all business transactions:
 - a. in accordance with applicable laws and generally accepted standards, principles and practices;
 - b. in accordance with relevant policies; and
 - c. in a manner that reasonably reflects transactions and events.
10. Third Party Risk Management risk assessment procedures must be followed to assess fraud and financial crime risks in line with the Group Procurement Policy.
11. Employees must complete all mandatory training related to these risk areas by the due dates.
12. All persons covered by the Policy are required to cooperate fully and openly with any investigation by IAG or any representative of IAG into alleged or suspected financial crime, fraudulent activity or other breach of this Policy.
13. Risk Profiling should include consideration of these risks and associated controls in line with the Group Risk Profiling Standard.

Money Laundering and Terrorism Financing Requirements

14. A Financial Crime Risk Assessment must be completed before 'go live' for any new product, service, payment mechanism, and business arrangement, including before entering into new Ventures or Alliances, to assess financial crime risk and applicability of Anti-Money Laundering and Counter-Terrorism Financing (**AML & CTF**) laws. Contact the Financial Crime Support Mailbox.
15. Provision of products or services, or entering into any business arrangement, that are subject to AML & CTF laws, must have prior written approval of the Group Chief Risk Officer.
16. Where an IAG Entity is subject to AML & CTF laws:
 - a. an AML & CTF Compliance Program and an AML & CTF Officer must be in place, and the Entity must comply with the requirements of the Group Anti-Money Laundering & Counter Terrorism Financing Compliance Program Standard,
 - b. all unusual or suspicious transactions must be reported to your local designated AML & CTF Officer in a confidential and timely manner. Reporting directly and confidentially to the AML & CTF Officer is essential to avoid 'tipping off'. 'Tipping off' of parties involved in a suspicious transaction is prohibited and a crime in some countries.
17. IAG's designated AML & CTF Officers are listed in the Group Anti-Money Laundering & Counter Terrorism Financing Compliance Program Standard.

Speaking up and reporting

18. You must report any situation that creates an actual, potential, or perceived conflict of interest in line with paragraph 8 and the Group Conflicts of Interest Guideline.
19. You must report any suspicion of fraud, corrupt behaviour or unusual or suspicious transactions as soon as possible to the IAG Fraud Hotline or, for whistleblower protections to apply, to the IAG ActionLine in accordance with the Group Whistleblower Policy. While we will treat all reports made

directly to the IAG Fraud Hotline sensitively, whistleblower protections will not apply to reports made directly to the IAG Fraud Hotline.

| Fraud Hotline | Phone | Email |
|-----------------------------------|----------------------------------|--|
| Australia and Asia | 1800 237 283 | fraudhotline@iag.com.au |
| New Zealand | 0800 372 835 | fraud@iag.co.nz |
| Outside Australia and New Zealand | +61 1800 110 287 (ActionLine) | fraudhotline@iag.com.au IAGActionLine@deloitte.com.au |

Consequences and breaches

20. Any breach of this Policy may:

- a. result in disciplinary action up to and including the termination of employment or engagement;
- b. breach applicable laws, and expose an individual to criminal, civil and/or regulatory liability including potential imprisonment or financial penalties;
- c. result in IAG seeking to reclaim any money or other resources misappropriated through fraudulent activity; and
- d. result in the termination or amendment to contracts with suppliers and business associates, and customer policies.

21. If you become aware of a breach of this Policy tell your manager, the Policy Key Contact (EGM, Operational Risk and Assurance), or report through the Fraud Hotline or IAG ActionLine channels detailed above.

Roles and Responsibilities

22. The responsibilities in relation to this Policy are set out in the table below:

| Position | Responsibilities |
|--|--|
| Group Chief Risk Officer (Policy Owner) | <p>Make sure the Policy complies with the Group Policies and Procedures Policy.</p> <p>Review this Policy at least every three years unless a different time period is specified to meet regulatory or legislative requirements.</p> <p>Make sure all relevant stakeholders have reviewed this Policy or any changes to it prior to approval.</p> <p>Approve or reject any non-material out-of-cycle updates to this Policy.</p> <p>Make sure appropriate support, training, change plans, and communications are in place to implement this Policy or any changes to it.</p> <p>Approve exemptions from this Policy and report them to the Approver, as appropriate.</p> <p>Oversee compliance with this Policy and report any material adverse findings to the Approver.</p> |
| IAG Board Risk Committee (Policy Approver) | <p>Approve or reject the Policy and any changes to it which are not non-material out-of-cycle updates.</p> <p>If appropriate, direct the Policy Owner to make any amendments that the Approver thinks are necessary.</p> <p>Receive reporting on exemptions from or material non-compliance with this Policy, as appropriate.</p> |
| EGM, Operational Risk and Assurance (Key Contact) | <p>Help the Policy Owner meet their accountabilities by interpreting the Policy, providing training and expert advice, and answering questions about the Policy.</p> |
| EM, Financial Crime Risk & Assurance Centre of Excellence | <p>Support the EGM, Operational Risk and Assurance by interpreting the Policy, providing training, advice, subject matter expertise and answering questions about the Policy.</p> |

Definitions

23. In this Policy:

“AML & CTF Officer” is the designated person who will receive and evaluate reports of suspicious customers or transactions and will engage with the local regulator as required. There is a different officer for each jurisdiction.

“Bribery” means the providing, offering, accepting, promising or soliciting of a benefit, or causing the provision, offering, accepting, promising or solicitation of a benefit to, another person, to whom the benefit is not legitimately due, with the intention of improperly influencing a person in order to obtain or retain business, or obtain and retain a personal or business advantage, which is not legitimately due.

“Business associates” means companies and individuals (such as joint venture partners, consultants and agents) acting on behalf of IAG, whether directly or indirectly, by representing our interests in relation to business development or retention of business opportunities.

“Collusion” means a situation where two or more individuals or entities conspire to commit fraudulent or corrupt behaviour.

A **“conflict of interest”** is any situation in which a personal interest(s) of an employee or contractor conflicts or may conflict with the interest(s) of IAG. Conflicts of interest can be actual, potential, or perceived. They can be financial or non-financial.

“Corruption” (including corrupt conduct or behaviour) means any act or omission for an improper or unlawful purpose, which involves the misuse or abuse of position or a position of trust, to achieve a personal gain, or to influence an outcome, or advantage for themselves or for another person or entity.

“External fraud” means fraudulent conduct where no perpetrator is employed by or has a close association with IAG, its business associates or third parties.

“Facilitation Payment” means a payment or other inducement made to a person or persons with the intention of securing or expediting a routine duty or action or facilitating approval of some type of business transaction or activity outside of the official channels.

“Fraud / fraudulent conduct or behaviour” means dishonest activity causing actual or potential gain or loss to any person or organisation, including theft of monies or other property, by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity. This includes internal fraud, external fraud, collusion and theft of monies or other property.

“Gift, Benefit or Hospitality” means any item or anything of value that is exchanged, or otherwise provided, offered, promised or solicited, above the person’s normal employment entitlements provided by IAG. This may include, but is not limited to, cash, travel, events, entertainment, and meals, any of which may be tangible or intangible.

“Internal fraud” means fraudulent conduct where at least one perpetrator is employed by, or has a close association with, IAG, its business associates or third parties, and as a result may have detailed knowledge of the internal operations, systems and procedures.

An **“intragroup conflict”** may arise where two or more entities within IAG are involved in, or have an interest in, the same transaction or circumstance (for example, provision of services or commercial agreements between Insurance Australia Limited (IAL) and Insurance Manufacturers of Australia (IMA)).

“Money Laundering” means the process by which illegal funds and assets are converted into funds or assets that appear legitimate. The funds may come from drug trafficking, tax evasion, smuggling, theft, arms trafficking, corrupt practices, and other illegal activities.

“Official” means a person who, regardless of rank or title, is:

- engaged in public duty (whether elected or appointed) in a government agency (including national, state/territory or local government agencies);
- a member of or candidate for any legislative, administrative or judicial body;

- an employee of a government-owned or government-controlled entity, including state-owned entities that operate in the commercial sector; or
- acting in an official capacity for a government, government agency, or state-owned enterprise.

“**Terrorism Financing**” is the financing of terrorist acts, and of terrorists and terrorist organisations.

“**Tipping Off**” is disclosing to the involved parties, the fact that a suspicious transaction or suspicious information has been identified and reported.

“**Ventures or Alliances**” means a new equity investment or venture that IAG is entering into. This does not include relationships with third party suppliers, brokers, authorised representatives, agencies, core controlled or holding entities, or wholly owned subsidiaries.

Other definitions are in the Risk Glossary.

Contacts for questions and more information

24. This Policy is owned by the Group Chief Risk Officer. If you have any questions or would like more information about this Policy, you should contact the EM, Financial Crime Risk & Assurance Centre of Excellence.

Policy information

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|---------------------------------|---|
| Effective from | 1 December 2023 |
| Owner | Group Chief Risk Officer |
| Approver | Insurance Australia Group Ltd Board Risk Committee |
| Next Review due | November 2026 |
| Entities this applies to | Insurance Australia Group Ltd, its subsidiaries and any other entity or joint venture which it controls (collectively IAG) |
| Related documents | <p>Key documents that should be read in conjunction with this Policy:</p> <ul style="list-style-type: none"> • IAG Code of Ethics and Conduct • Group Anti-Bribery and Corruption Standard • Group Internal Fraud Governance Standard • Group Conflicts of Interest Guideline • Group Anti-Money Laundering & Counter Terrorism Financing Compliance Program Standard • Group Whistleblower Policy • Group Organisational Conduct and Customer Risk Standard • Group Procurement Policy • Group Procurement Standard |

Document history

| Version | Date | Amended by | Details of amendment |
|---------|--------------|--|----------------------|
| 1 | October 2023 | GR Financial Crime Risk & Assurance Centre of Excellence | New policy. |