

QBE Insurance Group Head Office

Group Minimum Standards Anti-Bribery and Corruption



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1. Introduction

Why do we need an Anti-Bribery and Corruption Standard?



QBE is committed to ensuring compliance with anti-bribery and corruption laws in the countries in which it operates.

This means QBE is dedicated to conducting its business with honesty and integrity. We expect all employees to do the right thing and ensure high business and ethical standards are demonstrated in all our actions and business relationships.

This Standard has been updated (2019) to ensure that it remains current and to support QBE's risk appetite which is no significant legal or regulatory penalties, financial or non-financial losses or impacts due to non-compliance with laws, regulations and other obligations (including internal and business or ethical standards).

Failure to comply with anti-bribery and corruption laws and regulations exposes QBE to the risk of civil and criminal liability, significant fines and penalties, reputational damage and other adverse impacts.

Purpose

This Group Anti-Bribery and Corruption Standard establishes the group minimum standards for QBE's risk management and compliance with anti-bribery and corruption laws and regulations.

Who does this Standard apply to?

This Standard applies to all QBE employees, contractors, contingent workers, directors, and anyone else who represents QBE.

Wherever the word 'employee' appears in this Standard, it should be read as including contractors, contingent workers, directors, and anyone else who represents QBE.

QBE's approach to anti-bribery and corruption applies equally to engagement with public officials and commercial organisations.

What is bribery and corruption?

Bribery and corruption involves the misuse of position and influence in return for money, unearned benefit or an improper advantage, undermining integrity and fairness in the marketplace. This includes facilitation payments.

Facilitation fees or payments are those which are not publicly advertised or available. These are usually unreceipted and typically made directly to a person or to them through an intermediary, (e.g. a government official or employee or an employee of a commercial organisation) in order to have a process or any other activity sped up.

Note: Some payments that appear to 'facilitate' or speed up a transaction are lawful, however these are made in a publicly advertised and formally receipted manner, and available to everyone in the marketplace (e.g. a higher fee for express / urgent processing of a passport).

Bribing is the act of offering, promising or giving a financial or other advantage to another person, to persuade that person to act in a manner that is illegal, unethical or improper. Being bribed is accepting an offer of financial or other advantage, and in return agreeing to act in a manner that is illegal, unethical or improper.

Examples of bribery include giving or receiving:

- inappropriate gifts and entertainment;
- inappropriate expenses disguised as business expenditure;
- vouchers or cash equivalent;
- awarding contracts in breach of proper process;
- making unauthorised political or charitable donations.

Corruption involves the abuse of entrusted power for private gain and may include, but is not limited to, bribery. Corrupt conduct occurs in both public and private/commercial sectors.

Examples of corrupt conduct include:

- public officials demanding facilitation payments;
- extortion;
- fraud;
- cartel conduct;
- embezzlement;
- money laundering;
- human slavery/human trafficking.

The offences of bribing, being bribed and/or corruption apply to individuals and corporations, as do the penalties for these offences.

2. Approach

What are the principles of this Standard?

The following principles govern QBE's approach to managing compliance with anti-bribery and corruption laws.

1. QBE is committed to ensuring compliance with all applicable laws relating to anti-bribery and corruption.
2. QBE does not tolerate any form of bribery or corruption, regardless of local customs or any different, usual or typical business practices in countries where QBE conducts business;
3. QBE will forego business that breaches or may breach Anti-Bribery and Corruption laws or this Standard.
4. QBE employees are not permitted to give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly, or engage in or facilitate corruption or corrupt practices;
5. QBE and its employees are prohibited from making or supporting any facilitation payments. QBE will not repay any facilitation payments that are made on our behalf and will report any facilitation payments made to local law enforcement officials as required.
6. Employees are prohibited from offering or receiving commissions, payments (indirect or direct), gifts, entertainment, hospitality or promotional activity where these are unreasonable, excessive (whether in frequency and/or in value), disproportionate and not offered or accepted in good faith. The Group and/or local divisional Gifts and Entertainment Policies provide further guidance.
7. Employees are prohibited from making political donations and contributions on behalf of QBE, other than where authority has been specifically delegated to them;
8. Charitable Donations and Contributions are permissible only in accordance with an employee's delegated authority and Group/Divisional guidelines. Care must be taken to ensure that Charitable Donations and Contributions are not used to disguise or conceal corrupt payments and/or bribes.
9. Employees will not suffer adverse consequences for refusing to make improper payments, even if this may or does result in QBE losing business. Employees are expected to report requests they receive to make such payments to their Compliance team. Reports can also be made via the QBE Ethics Hotline.
10. QBE requires that third parties who act on its behalf do not engage in or facilitate any business activity that leads to an actual or potential breach of applicable Anti-Bribery and Corruption laws or this Standard.
11. When dealing with third parties who act on QBE's behalf, employees must conduct a reasonable risk based investigation (due diligence) into the background, reputation, and business practices of the third party before entering a contract with them. Due diligence must be updated when there are any changes in business relationships, environments and other material changes.



What are the consequences of non-compliance?

Non-compliance with the Group/divisional anti-bribery and corruption laws could have serious consequences for QBE and its employees.

For employees

Failure to ensure compliance with anti-bribery and corruption laws and QBE Standard could lead to the following consequences:

- personal criminal liability followed by fines or imprisonment;
- civil liability (financial penalty, liability for damages);
- disciplinary action initiated by QBE, including suspension and/or dismissal; and
- personal reputational damage.

For QBE

Failure to meet its responsibilities under anti-bribery and corruption laws may result in regulatory or law enforcement action, considerable financial penalties, serious reputational damage, exclusion from contractual tendering and criminal and/or civil charges.



3. Requirements and responsibilities



What are *my* responsibilities?

This section sets out everyone's responsibilities, including any specific requirements, under this Standard.

Employees

All employees are responsible for understanding and complying with this Standard. Everyone must:

- attend and participate in relevant training sessions and/or take proactive steps to locate, read and understand policy communications that are issued;
- promptly and without delay, report actual, potential or suspected issues of bribery, facilitation and corruption to the Group or Local Compliance or Financial Crime Management team. Reports can also be made via the QBE Ethics Hotline.
- seek assistance from direct line managers, Compliance, Financial Crime Management teams and local Internal Audit teams (depending on who is responsible for anti-bribery and corruption risk management and compliance in your division); and,
- co-operate and assist with any investigation undertaken by QBE.

Senior management, Boards and/or Board Risk and Capital Committees (BRCC)

Senior management, Boards and BRCCs are responsible for and approval of this Standard.

Chief Executive Officers (CEOs) and management

CEOs and management are responsible for ensuring an anti-bribery and corruption culture and the group minimum standards are embedded across the Group and divisions.

Standard owner

The Standard owner will report on any breaches of this Standard to the BRCC.

Compliance / Financial Crime Management teams

Across QBE these people/teams are responsible for:

- establishing and managing compliance controls;
- **Escalating suspected or actual cases to senior management or boards/ committees.**
- **reporting suspected or actual cases to appropriate regulators where applicable.**
- training and communications;
- monitoring and oversight of compliance with this Standard.

Global Financial Crime Working Group

The Global Financial Crime Working Group is responsible for evaluation and oversight of QBE's financial crime management risk approach.



Question and answer guidance

Q: If I suspect someone of giving/accepting a bribe and report it, but it turns out my suspicions were unfounded, could I get into trouble?

A: QBE encourages employees to report matters where they have reasonable grounds to do so. If you have such reasonable grounds, QBE guarantees you will not be subject to any adverse consequences for speaking up. You can make reports via multiple avenues, including the QBE Ethics Hotline.

Q: It's a local custom in my country to give small incentives to get things done faster - so if it's common practice that's OK, isn't it?

A: No, not if such payments are done 'under the counter' - that is they not openly advertised or receipted. QBE does not tolerate any form of facilitation, bribery or corruption, regardless of local customs or different business practices in countries where it conducts business.

Q: My boss has told me to make a payment to speed up a government process. She's given me an envelope of cash and an address where I need to deliver the payment. I've tried to object but have been told to follow instructions. What do I do?

A: This certainly sounds like a facilitation payment, as it is being made in cash and secretly. If you were to make this payment, you may be personally liable, despite you following your manager's instructions. As you've already tried to challenge your manager, you should report this matter through QBE's Ethics Hotline.

Q: Does the Anti Bribery and Corruption Standard only apply to large amounts of cash and matters involving government officials?

A: No. Bribery and corruption can apply equally to government officials and commercial organisations. It can involve small or large amounts of money or other favours, such as offers of airfares, accommodation, meals, tickets to sporting or theatre events.

Q: A local consultant says they can move our paperwork to the top of the pile for an extra fee. Should I ask any questions or just pay the money?

A: If there is no public evidence (for example on a government website or a brochure) of the amount of the fee and no receipt will be provided, it would appear on face value to be a facilitation payment which cannot be made. You must report this offer via one of the avenues available to you, which includes the QBE Ethics Hotline.

Q: Are all facilitation payments unlawful?

A: 'Express fee' payments can be sometimes be referred to as facilitation fees, but the difference is these are only acceptable if they are publicly advertised, available to everyone in the marketplace and are formally receipted (for e.g. paying a higher fee to have a passport renewed urgently). Facilitation payments on the other hand (and those referred to in this document) are those which are not publicly known about, are typically required to be paid in cash or other favours and are not formally receipted or invoiced. The payment will usually be provided to a third person in a more guarded, secretive or cautious way. If in doubt, seek guidance from Compliance.

Q: I overheard a conversation that sounded like a colleague had just accepted a generous gift of some sort from a client. I don't know if there's anything expected in return. What should I do?

A: QBE acknowledges that the giving and receiving of gifts or entertainment (provided these are reasonable, modest, proportionate and given or received in good faith) can be an acceptable business practice. Generous gifts can be accepted in some circumstances; however, depending on the monetary value they also need to be approved, reported and registered. If you have reasonable grounds for concern, you should ask your Compliance team for advice on whether such a gift has been reported and registered. You can also ask ethical questions (even anonymously) via the QBE Ethics Hotline.

Q: I'm really confused about whether a gift I've accepted is genuine or a bribe. How do I get more information?

A: You can ask ethical questions (even anonymously) via the QBE Ethics Hotline. Select 'ask a question' from the drop-down menu.

Q: Ages ago I accepted a gift from a supplier in good faith, now they want something in return. What should I do?

A: Report it immediately to your Compliance team or via the QBE Ethics Hotline.

Q: The rules and laws around anti bribery and corruption are different in different countries, correct?

A: Yes, however our Group Anti-Bribery and Corruption Standard sets QBE's group-wide minimum standards. As a company we have determined we will not fall below these standards regardless of whether a country may have lower standards

Q: The representative of a major client has made it clear that their business will only stay with us if we keep him 'sweet'. He says one of our competitors is offering some enticing freebies. If I don't do the same, we won't keep their business. What should I do?

A: Report it immediately to your Compliance team or via the QBE Ethics Hotline.

Q: My role does not involve making any 'deals' or negotiating contracts. I rarely have contact with external people. Do I have to take the Anti-Bribery and Corruption training?

A: Yes. Bribery and corrupt practices don't just occur during deals or when negotiating contracts. It can come from the giving or receiving of gifts or entertainment or start with a simple conflict of interest. Everyone needs to be familiar with what bribery and corruption means and how it can occur. QBE also expects all employees to #dotherightthing and speak up for the right outcome and also to #ownitnow and be open, transparent and actively manage risks. You can only do this if you understand the obligation.

Q: I have been asked to take part in a QBE investigation, I gather it's something to do with an accusation of corruption. I don't believe I know anything that could help - and I am reluctant to do this in case I inadvertently get one of my colleagues into trouble. Can I refuse to take part?

A: QBE's DNA and our Code of Ethics and Conduct requires employees to #dotherightthing and speak up for the right outcome. We would expect you to bring our DNA to life and support the ethical and behavioural expectations set out in our Code by supporting and helping in the investigation if you are able to do so.

Q: I know about some corrupt behaviour, but if I report it and it becomes public, my whole team and QBE, will suffer reputation damage. I am protecting us all by keeping quiet, aren't I?

A: QBE's DNA and our Code of Ethics and Conduct requires employees to #dotherightthing and speak up for the right outcome and also to #ownitnow and be open, transparent and actively manage risks. We expect you to report corrupt behaviour. You will be supported when you choose to do so and there will be no detrimental treatment.

Q: The Standard refers to modern slavery as an example of corrupt conduct. I don't really understand this. Can you explain?

A: Slavery can only take place when bribery and corruption is present. At some stage in the modern slavery chain, someone somewhere must 'turn a blind eye', pay a bribe or falsify records to facilitate human trafficking or forced labour.

4. Further information and assistance

If you are unsure about any aspect of this Standard, please contact your Compliance or Financial Crime Management team.

5. Standard ownership

Reference:	COMPO4
Owner:	David Lines, Chief Compliance Officer
Frequency of review:	Minimum every three years or more frequently as required
Approval:	Group Board Risk and Capital Committee (BRCC) with delegation for approval to the Group General Counsel
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Status:	Updated
Point of Contact:	Robyn Ziino Head of Group Compliance and Chief Privacy Officer robyn.ziino@qbe.com

Appendix A:

Definitions

For this Standard, the following definitions and acronyms apply.

Charitable donations and contributions	Refers to monetary and non-monetary items, and any other items of value, such as time donated to a charity, and/or supply of equipment.
Division	One of QBE Group's divisions, including: <ul style="list-style-type: none"> • Australian and the Pacific Islands (AUSPAC) • International • Group Shared Services Centre (GSSC); • North American Operations (NA); • Equator Reinsurances Limited; and • Group Head Office (GHO).
Public official - including any politically exposed person (PEP)	'Public Official' means (i) any officer or employee of a government or any department, agency or instrumentality thereof (which includes a government-owned or government-controlled state enterprise, such as a public hospital or university) or of a public international organization, such as the United Nations; (ii) any person acting in an official capacity for or on behalf of a government or government entity or of a public international organization, any political party or party official or any candidate for political office (including, for example, consultants who hold government positions or act in an official capacity on behalf of a government, employees of companies owned or controlled by governments, civil servants, administrative and judicial officers, political candidates and members of the military); and (iii) family members and close personal friends of any of the foregoing, even if they are not otherwise associated with a government or public office.
GGC	Group General Counsel
Lawful payment	A payment made in a publicly advertised and formally receipted manner, and available to everyone in the marketplace.
Facilitation payment	Facilitation fees or payments are those which are not publicly advertised or available, are usually unreceipted and typically made directly or through an intermediary to a person, whether to a government official or employee or commercial organisation or employee for their benefit
Political donations and contributions	Refers to any contribution including monetary and non-monetary items, and any other items of value, such as time donated to a political campaign, and/or supply of equipment.
QBE	QBE Insurance Group Limited and its controlled entities