

# **TOWER Australia Group Limited**

ACN 003 401 698

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## **Code of Professional and Ethical Conduct**

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Approved by: TAGL Board on 24 November 2009  
Policy Owner: Managing Director

## Version Control

Version No.	Date	Details
1.0	12/08/03	Establishment of initial Code of Conduct.
1.1	Nov 2007	Prepared for approval by TAGL Board on 23/11/07 as part of the review of risk management policies integral to implementation of the Risk Management Strategy.
1.2	Dec 2007	Amended Guidelines in Conflicts of Interest section to reflect changes to section 5.6 of Fraud Control and Awareness Policy recommended by ACRMC and endorsed by TAGL Board on 23/11/07, and approved by ACRMC on 18/12/07.
1.3	Aug 2009	Material review of all content areas. Merging of Code of Conduct and Code of Ethics into a single policy. Alignment of content with new TOWER brand and Values.

# PURPOSE

*The TOWER Code of Professional and Ethical Conduct provides guidance to all TOWER Group Limited (TOWER) employees in a simple and clear manner to help foster an understanding of the professional and ethical standards required in the fulfilment of their day to day role responsibilities. The fulfilment of these standards helps TOWER: maintain the required level of professional standards, build a positive reputation in the marketplace and increase investor and customer confidence.*

*As a part of TOWER's Risk Management Framework, this Code of Professional Conduct and Ethics has been designed to comply with Prudential Standard LPS220 Risk Management (LPS220) and Prudential Practice Guide LPG 230 – Operational Risk.*

*TOWER reviews this Code on an annual basis to ensure that the guidance provided in it remains relevant, consistent and up to date. Any amendments to the Code will be communicated to employees and will become binding from this point.*

# Introduction

TOWER is committed to creating and maintaining a business culture built on high professional and ethical standards that are consistent with our company Values of Collaboration, Accountability, Innovation, Respect and Simplicity.

The terms and expectations outlined in this Code apply equally to every fulltime, part time, temporary or casual TOWER employee, company Directors as well as all contractors engaged by TOWER. Failure to comply with this Code will lead to disciplinary action and, in serious cases, dismissal.

TOWER recognises that its people operate in an increasingly complex business environment that continually presents new and unforeseen challenges at a group and personal level. While TOWER's Code of Professional and Ethical Conduct is comprehensive in its coverage, it does not claim to provide specific guidance on every possible circumstance or situation that an employee may encounter in the delivery of their role responsibilities.

Employee standards of personal integrity and ethics are qualities that cannot be created or preserved by a written code alone. Ultimately, this Code has been created with the understanding that the ethical conduct of TOWER as an organisation depends directly on the propriety and behaviour of its individual employees.

TOWER's Code of Professional and Ethical Conduct has not been created to duplicate legislative obligations or operational procedures, rather it is to be observed in conjunction with those obligations and the detailed procedures relating to specific areas of TOWER's business operations.

The TOWER Code of Professional and Ethical Conduct should be read in association with the following TOWER policies:

- Workplace Behaviour Policy
- Employee Issues Resolution Policy
- Whistle blowing Policy
- Fraud Control and Awareness Policy
- Electronic Use Policy
- Share Trading Policy
- Alcohol and Drugs in the Workplace Policy
- Business Attire Policy
- Market Disclosure and Communications Policy

# TOWER Ambition and Mission

## Our Ambition

We will make life solutions a well understood and valued part of peoples' lives and in doing so we will win their trust.

## Our Mission

- We will educate the market, facilitating understanding of the positive role we can play in helping our customers embrace life's challenges
- We will be the first life insurance company in Australia to create solutions which are truly people-focused
- We will be the preferred industry partner, recognised as being innovative, responsive and informative
- Ten years from now we will be the leader in an industry that is recognised as benefiting our society

## Three Fundamental TOWER Commitments Supporting this Code

A high commitment to our **people** in providing them with an engaging work environment.

A high commitment to our **customers** in providing them outstanding service and value.

A high commitment to our **shareholders** in delivering competitive, sustainable and profitable business growth.

# TOWER's Corporate Responsibilities

## To Shareholders and the Financial Community

TOWER is committed to delivering value to its shareholders and to representing its business performance truthfully and accurately. TOWER complies with the spirit as well as the letter of all laws and regulations that govern shareholder rights.

TOWER is committed to safeguarding the integrity of its financial reporting and as such openly promotes and instigates a structure of review and authorisation designed to ensure the truthful and factual presentation of TOWER's financial position.

TOWER prepares and maintains its accounts fairly and accurately in accordance with the accounting and financial reporting standards that represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which TOWER conducts its business.

## To Employees

TOWER is committed to fostering a work environment for its people that:

- is safe and complies with the spirit as well as the letter of workplace health and safety laws
- promotes equal opportunity for all employees at all levels of TOWER irrespective of colour, race, gender, age, ethnicity, marital status, disability, sexual orientation or religious beliefs
- provides equal opportunity for all employees at all levels of TOWER in regard to recruitment, compensation, promotion, training and other employment practices
- compensates all employees in a fair and ethical manner
- facilitates meaningful skill and knowledge development opportunities through the provision of training inside and outside of the business

## To Customers, Business Partners, Suppliers and Creditors

TOWER regards ethics, honesty and clear communication as the cornerstones of its reputation, qualities essential for building successful and lasting business relationships.

Every TOWER employee is expected to use their best efforts to provide customers, suppliers and creditors with the highest quality of service possible.

TOWER strives to deal fairly and respectfully with its customers, suppliers and creditors, and encourages all of its employees to do the same.

In a competitive environment, TOWER competes fairly and ethically and in accordance with the competition and consumer laws of Australia and of each country in which it operates.

TOWER strives to offer high value products and conducts its business fairly and competes solely on the qualities of these products.

## **To the Board**

TOWER is committed to providing its Board of Directors with direct and transparent access to accurate business information that is required of them to competently and fully exercise the obligations of their office in relation to planning, audit and decision making.

## **To the Community**

TOWER is committed to maintaining a strong sense of corporate social responsibility.

In maintaining its corporate social responsibility TOWER conducts its business ethically and according to its Values. TOWER actively encourages its people to be involved in a variety of community initiatives either individually or as a team.

## **To the Environment**

TOWER is committed to conducting its business in accordance with the spirit and letter of all applicable environmental laws and regulations. To this end, TOWER encourages all employees to have regard for the environment when carrying out their duties and responsibilities.

## Responsibilities of TOWER People

In the context of this Code every TOWER employee has a responsibility to:

- ensure that this Code is followed at all times
- know and comply with its requirements as well as its associated policies
- treat their colleagues and customers with honesty, dignity and respect
- use their best endeavours to ensure TOWER complies with all its legal and contractual obligations
- not make promises or commitments that TOWER does not intend, or would not be able to honour
- deal with regulators in an open and constructive manner
- conduct TOWER business with honesty and integrity and in accordance with TOWER's values
- use due skill, care and diligence in performing their TOWER role and only act in accordance with their delegated (general or specific) authority
- not act in a way that could bring TOWER into disrepute
- comply with all applicable laws, regulations, stock exchange listing rules, by-laws, codes of conduct of recognised professional organisations, and regulatory and court decisions in the countries where they are operating, and all applicable TOWER internal policies, in a timely manner
- only use TOWER corporate information gained by virtue of their relationship with TOWER in the best interests of TOWER and not for personal gain
- safeguard TOWER's corporate information and property against damage, waste, misuse and loss
- not compete with TOWER
- not use the name of TOWER to further any personal or other business transaction
- use goods, services and facilities provided by TOWER strictly in accordance with the terms on which they are provided
- participate in compliance and risk training as required

## Responsibilities of TOWER People Managers

In the context of this Code every TOWER people manager has a responsibility to:

- ensure that their teams are aware of the Code and that their teams are managed in accordance with it
- appropriately report and deal with Code breaches as they arise
- ensure that any department specific policies are composed in consideration of this Code

# Code of Professional and Ethical Conduct

## 1. Sound Business Practices

***At TOWER we maintain the highest level of integrity and professional standards in all of our business practices.***

At all times TOWER employees are required to act with due skill, care and diligence in the delivery of their role responsibilities and in a manner that merits the continued trust and confidence of their colleagues, business partners, policy holders and shareholders.

At TOWER we do not tolerate:

- Dishonesty or fraud by any employee whether they are directly or indirectly involved
- Conflicts of interest
- Breaches of confidentiality including insider trading.

***To assist employees in meeting these obligations TOWER ensures that all employees have:***

- access to, and an understanding of, the TOWER Code of Professional and Ethical Conduct
- the skills, education and experience necessary for the competent fulfillment of their role and responsibilities

***To support the business in consistently applying this Code TOWER ensures that:***

- All employees and managers are clearly aware of its intent, requirements and their reporting obligations
- Appropriate training opportunities are offered to employees and managers covering the application of this Code
- All employees have access to adequate and properly documented plans, policies, controls, maintenance mechanisms and relevant industry standards.
- All new policies are developed and maintained in accordance with this code.
- An Employee Issues Resolution and Whistle Blowing policy is in place that allows employees to report Code breaches without fear or favour.
- Internal procedures are in place that allow for the monitoring of adherence to this Code and other legal and regulatory requirements as well as mechanisms for the reporting of issues to senior management or the Board, independent of business lines.

## 2. Conflicts of Interest and Personal Gain

***At TOWER, every employee should actively avoid taking actions, making decisions or becoming involved in circumstances that may present a real or potential conflict of interest.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- Avoid situations involving any direct or indirect conflict, or perceived conflict, between their personal interests and those of TOWER or its clients
- Not use his or her position within TOWER for personal gain, or for the gain of family members or close friends
- Take particular care to ensure that their personal financial dealings or those of relatives or close friends do not result in a conflict of interest
- Ensure that any business conducted between TOWER and a client or entity in which an employee has a direct or indirect interest is conducted on an arm's length basis
- Not accept *substantial* gifts or personal favours in the context of their work from customers, business partners, suppliers or service providers that may imply a conflict of interest<sup>1</sup>.
- Avoid favouritism or any appearance of different treatment for relatives or personal associates within the company
- Ensure that they never accept any personal benefits through the sale of TOWER products

### Disclosure

- Employees serving as Directors or Officers of an external entity that is involved in a transaction with a TOWER company must immediately make full disclosure to all interested parties and exclude themselves from all related decision-making.
- Where entertainment, gifts or personal favours in excess of \$100 are accepted, they must be reported immediately and fully to the recipient's Manager, and to the Head of Corporate Governance for entry in the Gift Register in accordance with TOWER's Fraud Control and Awareness Policy.
- Any relationship that could give rise to even the appearance of a conflict of interest must be immediately and fully disclosed to TOWER and the client. In the event that such a disclosure requires the removal of the involved employee from a client account or transaction, then such a decision will not be viewed adversely from the perspective of the employee's performance evaluation or compensation.
- When in any doubt about a possible conflict of interest, employees should seek guidance from their reporting manager or the Head of Compliance in the case of more significant issues.

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<sup>1</sup> Gifts and modest levels of entertaining are acceptable where they have the intention of fostering a genuine, existing business relationship

### 3. Company Records

***At TOWER, every employee is required to recognise and value the importance of accurate record keeping in accordance with this Code and statutory requirements.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- Ensure that all entries made in TOWER systems and records are accurate and fully and truthfully represent customer requests, agreements and requirements.
- Provide accurate and timely responses to requests for information as part of regular financial or business reporting systems and processes.
- Provide accurate and timely responses to requests for information from regulators through the General Counsel as part of an audit or review process.
- Personally act on, escalate or refer for solution information errors or omissions discovered in the course of their daily duties.
- Retain all business records in accordance with the relevant statutory periods.
- Manage the archiving and preservation of business records in accordance with company archiving processes and procedures.
- Record financial transactions in a manner that complies with generally accepted accounting principles and applicable accounting standards
- Ensure that financial transactions are reflected in TOWER accounts in the period in which they occur
- Ensure that every financial transaction is approved by a person with the appropriate delegated authority in terms of transaction type and its value

### 4. Confidential Information

***At TOWER, every employee comes into contact with information of a confidential nature in the course of their daily duties. This information may relate to customers, employees, suppliers, business partners or business results and performance. Respecting confidentiality requirements is an essential and integral part of good business practice and therefore an expectation of every employee.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- fully meet the confidentiality agreements detailed in their employment contract
- apply a principle of confidentiality to all business activities
- Respect the confidentiality of colleagues, customers, suppliers and business partners during business dealings and after dealings have ended. This duty of confidentiality also includes not disclosing the identify of TOWER clients as a client of the company unless client approval has been granted
- Respect the privacy of colleagues, customers, suppliers and business partners in accordance with the requirements of the Privacy Act 1988.
- restrict the use of sensitive market information to the expressed purpose for which it is designed and to not share or disclose this information to unauthorised parties

- keep sensitive or confidential information in a secure and safe location
- minimise the opportunity for colleagues to access confidential information electronically by protecting computer system and network passwords
- print and collect hard copy documents in a careful manner
- reserve confidential discussions for private spaces only e.g. meeting rooms and not stairwells or foyers

### **Definition**

Confidential information includes but is not limited to:

- Any proprietary or market sensitive information that is not publicly or widely available, open to general distribution or is expressly covered under a confidentiality agreement. This information may provide a competitive advantage to you, your family, business partner or other third party if utilised inappropriately.
- personal and private information that is provided to the company by a customer, employee, service provider or business partner with the expressed understanding and expectation that the information will not be shared for any reason other than the primary one for which it has been provided.
- Information which would very likely affect the market value of TOWER or any other listed company if it was made known to the general public without the appropriate context, communications or timing.
- other items such as: investment and pricing policies, client details, business tenders and acquisitions, commercial terms of transactions with current, past or prospective TOWER clients, internal policies, project management templates, systems and methodologies, marketing plans , fee arrangements, financial standing and business results, trade secrets and employee personal and remuneration details.

### **Disclosure Guidelines**

Confidential information may be disclosed by TOWER employees to regulators, government departments, legal bodies in the event that disclosure is required by law , if the information concerns illegal activity or the information is already in the public domain.

Provided consent has been obtained it may also be disclosed to employees and advisers of TOWER who need to know that information in order to perform a particular service function.

If a court or other official government agency subpoenas or requests for the release of client information, employees should contact the TOWER Legal department immediately. Legal Counsel will then manage the disclosure process, including deciding whether to comply with the request or subpoena and what information must or should be released.

## **5. Competitor Relationships**

***At TOWER, maintaining appropriate relationships with business competitors is important for the purpose of helping to create an attractive, cohesive and professional finance and insurance industry.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- maintain the required levels of confidentiality between TOWER and its competitors.
- meet the confidentiality obligations of their employment contracts in the event that they leave TOWER to work for a competitor
- Ensure that pricing, trade practices and marketing policies are developed independently from competitors so as to completely diminish any potential claims of price setting or controlling.

## 6. Care of Company Assets - Stewardship

***At TOWER, every employee is entrusted with the use of company property and assets (including intellectual property) that enable them to fulfill the responsibilities of their roles, meet performance requirements and deliver high standards of service to customers.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- Take due care with company assets and property including office equipment and premises
- Only use company assets and property for work purposes
- Follow appropriate policies regarding property security and information storage
- Report damaged assets or hazards in accordance with the TOWER OHS Policy
- Purchase office equipment for use in the workplace in accordance with published procurement policies
- Actively seek and identify ways to make the most efficient use of company assets and property
- Ensure that at all times TOWER holds adequate insurance to cover such matters as theft of and damage to company assets.

## 7. Electronic Communication and Record Systems

***At TOWER, every employee is provided with access to a variety of company owned electronic communication and record systems including computer and phone networks and business systems. The efficient, appropriate and professional use of these systems plays a key role in delivering and maintaining high levels of customer service.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- Ensure that all forms of communication are composed and delivered with the highest level of care and professionalism with due regard for the needs of and relationship with the reader.
- Ensure that all written and voice communications are honest and accurate and free of misstatements, inaccurate claims, extreme and insensitive personal views, defamatory or obscene comments or images that could lead to legal exposure for the author or TOWER or could damage customer and colleague relationships.
- Limit their personal use of TOWER communication systems (phone, email and internet) to a reasonable and acceptable level
- Ensure that when composing emails or voicemails that they can be readily identified as the author and originator of the information
- Ensure that their communications meet all confidentiality, EEO and privacy standards
- Respect all copyrights as permitted by the copyright owner
- Safeguard the confidentiality of their system passwords in accordance with the TOWER Electronic Use Policy
- Exercise due diligence to help protect all computer and communication equipment, software, documentation and data from loss, damage or theft.
- Report business system faults or glitches in a timely manner to the appropriate internal departments.

## 8. Promotion and Representation

***At TOWER, maintaining a strong respected brand image is a business priority.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- Ensure that advertisements published for TOWER products and services fully comply with legal and regulatory requirements and meet professional and ethical standards.
- Ensure that all claims made in TOWER advertisements are demonstrably fair and reasonable.
- Ensure that all authorised public statements are made accurately and honestly and represent business plans, results, products and services that TOWER is capable of performing or has actually delivered.
- Ensure that financial forecasts delivered to the market are based on true and accurate business data reporting and projections.
- Ensure that fees payable for the delivery of a service are always clearly and fully disclosed.
- Ensure that TOWER credentials such as titles, business cards and stationery (letterhead) are only used for TOWER business purposes.
- Ensure that references provided for former employees are only ever done so on a personal basis and never in writing on company letterhead.

## 9. Financial Stewardship

***At TOWER, maintaining a strong financial position is a business priority.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- Maintain the capital and liquidity requirements of TOWER's business.
- Maintain sufficient financial resources or professional indemnity insurance and other appropriate business protection policies to meet any potential negligence claims made against the company.

## 10. Personal Trading

***At TOWER, maintaining appropriate standards of personal ethics is a key component to building and maintaining confidence in the eyes of colleagues, customers, business partners and shareholders.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- place the interests of customers, policyholders and shareholders first
- actively avoid any actual or potential conflicts of interest between personal interests and their duty to customers, business partners, shareholders and colleagues.
- Appropriately manage inside, privileged, confidential or price-sensitive information
- Limit personal trading to a scale that doesn't detract from performance of their normal duties and responsibilities
- Ensure that they are always acting in a manner consistent with insider trading laws and the TOWER Share Trading Policy.

- not trade or encourage others to trade in TOWER securities, other securities or other kinds of property, on the basis of information that is not publicly available and which is gained by virtue of their relationship with TOWER.

## 11. Outside Employment

***At TOWER, the role and responsibilities of each employee always takes priority over other employment opportunities outside of the business.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- Ensure that all existing outside employment commitments are openly disclosed to their immediate manager
- Ensure that all considerations of new outside employment commitments are openly disclosed to their immediate manager for approval before such commitments are confirmed
- Ensure that any outside employment responsibilities do not compromise their ability to fulfill their obligations to TOWER and its customers.
- Ensure that they do not engage in any outside employment arrangements with a company deemed to be a business competitor
- Ensure that all TOWER Confidentiality and Privacy obligations are met when engaging in outside employment

## 12. Compliance and Adherence to Professional Codes

***At TOWER, every employee is expected to adhere to all internal rules, policies and procedures that have been developed to help regulate and manage the efficiency of TOWER's business operations.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- fully comply with this Code of Professional Conduct and Ethics
- deal with auditors and regulators in an open and co-operative manner and keep them informed of relevant matters concerning TOWER's business operations as required.
- fully comply with relevant codes of professional conduct that are determined by nationally and globally recognised professional bodies such as those covering accounting, investment or legal regardless of whether an employee is a registered and member of an associated professional body.
- fully comply with all legislative and regulatory requirements applicable to TOWER's business operations including, but not limited to:
  - Australian Securities and Investment Commission Act 2001
  - Corporations Act 2001
  - Financial Transactions Reports Act 1988
  - Tax, stamp duty and revenue legislation
  - Superannuation Industry (Supervision) Act 1993 and supporting legislation
  - Listing and business rules of relevant exchanges
  - Trade Practices Act 1974 and fair trading legislation

- Trustee legislation in all states and territories
- Regulatory Guides and Rulings of regulatory authorities
- Privacy Act 1988
- Life Insurance Act 1995
- Anti Money Laundering and Counter-Terrorism Financing Act 2006
- Prudential Standards and Guides of regulatory authorities.

### 13. Mutual Respect

***At TOWER, demonstrating mutual respect for colleagues, their roles, responsibilities, delegations, views and authority is a key component in the development and maintenance of an engaging and productive company culture.***

In accordance with their specific role responsibilities every TOWER employee has a responsibility to:

- respect the functions, authority and roles other employees fulfill within the organisation
- not coerce their colleagues to act in a manner which is unlawful, inappropriate, or contrary to the interests of TOWER or its customers
- not unduly influence others in the conduct of their duties or seek to pressure them to act in an inappropriate or unprofessional manner.

### 14. Equal Opportunity

- TOWER is a company firmly committed to Equal Employment Opportunity (EEO) in all aspects of its people management practices, policies and procedures. At TOWER, the life of every employee is managed in accordance with this commitment as a means to ensure equity and fairness across our organisation. Through the elimination of discriminatory practices and/or harassment of any form TOWER will ensure that it is able to maintain the efficiency and wellbeing of all employees and high standards of customer service.
- Our company Values of Collaboration, Accountability, Innovation, Respect and Simplicity engender EEO legislation and principles. They guide and underpin our behaviour in our interactions with each other, our customers and external partners.
- At TOWER we encourage and support individual people differences and value our diverse people talents. We actively work to provide a positive working environment that supports and fosters optimal performance in all of our employees.
- At TOWER we are committed to ensuring that all employees are able to fulfil their duties in an environment of trust, mutual respect and fairness. It is the responsibility of every TOWER employee to reasonably do everything in their power to help create and maintain such an environment.
- At TOWER, our commitment to EEO means that all current and potential employees seeking promotion, transfer or employment are treated fairly and provided with equal access to career opportunities. Role appointments are always based on merit with decisions made on the basis of relevant factors such as skills, qualifications, abilities and aptitude. Merit based appointments are made irrespective of age, gender, race, ethnic or national origins, religious or ethical beliefs, disability, marital status, sexual orientation, or any other irrelevant factor.

- At TOWER, our commitment to EEO means that every employee is provided with equal access to employment benefits and salary. Our salary and benefits policies are applied fairly and consistently based on a 'fair pay' approach. Salary or merit increases are based on factors such as actual job performance and internal and external market competitiveness. They are made irrespective of age, gender, race, ethnic or national origins, religious or ethical beliefs, disability, marital status, sexual orientation, or any other irrelevant factor.
- TOWER's aim is to provide a level playing field for all employees. We encourage and support individual differences and will value and capitalise on our diverse employee talents. We aim to provide a working environment and conditions that foster the optimal performance of all employees.
- At TOWER any form of harassment or discrimination will not be tolerated.

## **15. Employee Code Breaches and Issues Resolution**

### **Reporting Guidelines**

- Any employee who becomes aware of a breach or suspected breach of this Code should report it to their manager who will in turn report it to the Head of Human Resources or the Head of Corporate Governance.
- All material breaches of this Code will be reported to the Chairman of the Audit, Compliance and Risk Management Committee.
- TOWER will support any person who, in good faith, reports a breach or suspected breach of this Code. TOWER will, subject to any legal requirements, keep confidential the identity of a person making a bona fide report. However in some situations the nature of the breach or its proper investigation may lead to the identity of the reporter becoming suspected or require his or her identity to be disclosed. In the latter case, TOWER will discuss the situation with the reporter before disclosing his or her identity.
- In the event that a conflict arises between TOWER's Code and the adherence to a professional code, then guidance should be sought from the relevant Business Unit Chief Executive Officer.
- Deliberate breaches, negligence or evasion of the principles in TOWER's Code of Professional and Ethical Conduct will lead to disciplinary procedures which in more serious situations may include dismissal.