



STEAMSHIP MUTUAL

CODE OF BUSINESS STANDARDS AND ETHICS POLICY

1. Policy Statement

This document sets out the commitment of The Steamship Mutual Underwriting Association (Bermuda) Limited, The Steamship Mutual Underwriting Association Limited, and The Steamship Mutual Underwriting Association Trustees (Bermuda) Limited and their respective subsidiaries and managers¹ (individually referred to as “the Company” and collectively “Steamship”) to high business standards and ethics. The Board of Directors of Steamship (the “Boards”) are committed to high standards of corporate governance which drive the way in which each Company is managed, its relationship with Members and other third parties, and the framework of internal controls.

The Boards will organise and control the Company’s affairs responsibly and effectively to meet the Company’s corporate governance and regulatory requirements.

Any queries about this Code of Business Standards and Ethics Policy (the Policy), should be referred to the Human Resources Manager, the Legal Department or a director of the Managers’ London service company, Steamship Insurance Management Services Limited (“SIMSL”), whichever may be appropriate, for further advice or assistance.

2. The Company

The Company will:

2.1 In all its dealings

- Comply with all applicable laws, rules and regulations in the countries in which it operates.
- Maintain effective procedures to prevent confidential information being misused and make it clear that the use of confidential information for personal and corporate gain will not be tolerated. Refer to the Data Protection Policy.
- Have a zero tolerance to bribery and corruption. The Company is committed to acting professionally, fairly and with integrity in its business

¹ The Managers to which this policy applies are Steamship Mutual Management (Bermuda) Limited, Hamilton Investment Management Limited, Steamship Insurance Management and Steamship Insurance Management Services Limited.

dealings and relationships, implementing and enforcing effective systems to counter bribery.

- Oppose all forms of financial crime and adopt policies and procedures designed to protect it from doing business with persons involved in criminal activity. Refer to the Fraud and Money Laundering Policy.

2.2 In its dealings with Members, Brokers, Correspondents and Service Providers

- Provide and promote a range of products and services, for which it is authorised, that meet Member needs and which are readily understandable.
- Operate effective complaints processes to deal with situations where the Company's business dealings are challenged by the Members.
- Encourage the use of brokers, service providers and correspondents who operate with values and standards equivalent to those of the Company.
- Conduct its contracting and procurement practices in a fair and transparent manner.

2.3 In its dealings with staff members

- Maintain a working environment that provides appropriate remuneration including benefits, training and opportunities for personal development.
- Be intolerant of discrimination, harassment, bullying or victimisation. Refer to the Equality Opportunities Policy.
- Recognise diversity in recruitment and dealings with staff members.
- Create a favourable staff member relations environment in which the involvement of all staff members is encouraged.
- Actively encourage staff to speak up about wrong-doing in the work place in relation to breaches of laws and regulations and breaches of this Policy as early as possible and encourage staff within the business to raise issues internally without fear or recrimination. Refer to the Whistle Blowing Policy.
- Provide a clean, healthy and safe work environment, stressing the obligation on all staff members to take every reasonable precaution to avoid injury to colleagues and members of the public. Refer to the Health & Safety Policy.
- Prohibit the illegal use of drugs on the Company's premises and encourage any staff member with an alcohol or drug dependency to seek help.
- Maintain a policy that staff members must ensure that their personal interests do not conflict with the duties which are owed to the Company or which the Company owes to its Members or other third parties.

2.4 In its dealings with markets and communities

- Encourage staff members to help and participate in market and community projects and contribute to the social and economic well-being of those communities where it operates.
- Work to minimise any adverse environmental impact of its business operations.

2.5 In its dealings with foreign public officials, governments and regulators

- Maintain a constructive and open relationship with governments and regulators to foster mutual trust, respect and understanding.
- Ensure any payments to foreign public officials are appropriate, reasonable and bona fide and comply with the requirements of paragraph 3.6 below.

2.6 In its dealing with charitable contributions and sponsorship, proceed in accordance with the principles outlined below:

- Ad hoc charitable donations and sponsorship of events including general fund raising for charity should not be made from the Company's funds. However, payment from the Company's funds for attendance at events (charitable, sponsorship, or otherwise), which promote the Company or which enable the Company or any staff member to entertain or market to a broker, Member or any other relevant persons, is acceptable in principle where approved by a Director of the Company, subject to being reported to the Administrative Committee on an annual basis. Potentially this could include:
 - donations to and sponsorship of events hosted by the Company as well as those hosted by Members, brokers and service providers;
 - the payment for tables hosted by the Company or places at such tables when the event is designed to raise funds for charity, where it is subject to the approval of a Director of the Company and the amount involved does not exceed the amount which would otherwise have been paid to cover the cost of attendance at or participation in the event in question; or
 - the payment of expenses or sponsorship and/or for prizes or promotional goods subject to the discretion of a Director of the Company.
- Any charitable donations or sponsorship are to be capped at US\$25,000 per annum.
- Ensure any charitable contribution or sponsorship made or received is properly authorised and recorded in accordance with the procedures outlined in Schedule 1.
- All payments by the Company should be properly recorded in the books of account.
- No sponsorship or charitable contributions are to be made in cash.

2.7 In its compliance with this Policy

- Provide training to staff members on how to identify and adhere to the standards required under this Policy and any associated responsibilities in the Staff Handbook. Failure to comply with this Policy or the SIMSL Staff Handbook may lead to disciplinary or criminal action being taken against the individual (Refer to Breaches of this Policy section below).

3. Obligations of the Staff

The Company requires the highest possible standards of professional and ethical conduct from all staff members and officers. All such persons are expected to apply the following standards:

3.1 In all their dealings

- Engage in honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- Advance the business dealings of the Company, having regard to the Company's values and standards, as set out in this Policy and the Staff Handbook.
- Comply not just with the letter, but also the spirit of all relevant legal and regulatory requirements and of this Policy. Breaches of the law, regulations, or this Policy are not justified by the pursuit of profit, and activities are not made acceptable merely by the practice of competitors or others in the market.

3.2 In their dealings with Members, Brokers, Correspondents and Service Providers

- Treat Members, Brokers, and Correspondents and other service providers, fairly, openly and equitably.
- Provide high standards of service to Members.
- Treat information provided to the Company in the course of business by Members and third parties in a responsible manner. Where possible seek the Member's prior consent to the disclosure of specific information relating to that entity's insurance with the Company. However, the Company will not be bound by confidentiality where disclosure of the Member's information is required for business purposes to the Company's Directors, the Company's professional advisers, by governmental or other regulatory entities or by law.
- Maintain the highest possible standards of integrity in business relationships with Members, Correspondents and service providers.
- Comply with agreed contractual terms binding on the Company.
- Perform business activities, so far as possible, in a manner sensitive to the cultural and social traditions of those communities with whom business is conducted.

3.3 In their dealings with competitors and other International Group Clubs

- Comply with the Company's Competition Law Policy and the Steamship and International Group Competition Law Guidelines.
- Conduct business in accordance with this Policy and compete vigorously but honestly.
- Comply with the terms of the International Group Agreement.

3.4 In dealing with conflicts of interest

- Manage conflict of interests fairly, both between the Company and its Members and between a Member and another Member and/or broker and/or service provider.

- Comply with the procedures which have been put in place to identify and manage potential conflicts of interest arising in the context of handling of claims. (Refer to the SIMSL Conflicts of Interest Procedures relating to Claims).
- Ensure that the personal interests of staff, officers and managers of the Company do not conflict with the duties which are owed to the Company or which the Company owes to its Members and brokers. Refer to the Company Conflicts of Interest Policy and Register of Interests.
If a staff member considers that a conflict or potential conflict exists, it should be reported to a line manager for escalation to a Company Director. Staff members should thereafter co-operate with management in resolving the conflict.

3.5 In dealing with Gifts, Hospitality, Entertainment and Expenses

- In this Policy:
 - Gifts include money, goods, services or loans given ostensibly as a mark of friendship or appreciation.
 - Hospitality includes entertaining, meals, receptions, tickets to entertainment, social or sports events, participation in sporting events, in order to develop cordial relationships with business counterparties.
 - Expenses are the provision or reimbursement by the Company of travel and other reasonable related expenses incurred by a staff member, prospective staff member, or business partner.
- The following guidelines are intended to assist in deciding what might or might not be appropriate. Each set of circumstances must be assessed with reference to its particular facts. As a general principle all members of staff, if offered gifts or hospitality, should carefully consider, in consultation with their line manager, the nature of the gift or hospitality offered, and whether it is appropriate given the particular business circumstances involved.
- Gifts, business hospitality, entertainment and expenses are often a feature of commercial life in many of the countries where the Company operates. However to be acceptable in accordance with this Policy, gifts, hospitality or expenses must be reasonable and proportionate and must not be offered secretly and without the approval or apparent approval of the donor and recipient companies. Nor should they be made as part of any arrangement where the recipient or donor agrees or expects or has negotiated a particular advantage to be provided in return.
- Gifts in particular frequently form part of the tradition of festive occasions such as Christmas. Staff need to be aware that the acceptance and giving of gifts, hospitality, entertainment and expenses can give rise to difficulty, particularly if they entail a sense of reciprocal obligation in the relationship in question. For this reason staff are not permitted to receive, offer, give or accept inappropriate gifts or other benefits.
- Any offer or receipt of gifts, hospitality or entertainment must comply with the authorisation procedures outlined in Schedule 1.

- An assessment of the value of the gift or hospitality, if that is possible, is a factor to be taken into consideration in assessing appropriateness. Where there is any doubt whatsoever about whether something is appropriate, a Director must be consulted. In deciding whether or not a gift or hospitality is appropriate it may be helpful to consider how acceptance without any consultation on the matter is likely to be perceived by colleagues if the matter were subsequently to be disclosed.
- In no circumstances will gifts of cash be considered appropriate, and such gifts should be politely declined and/or returned. Where return of a gift item is simply not possible, such gifts should be delivered to the SIMSL HR department in order to be logged and donated towards staff events or charitable causes.
- Where a gift received is of a value that would be inappropriate if retained by a single individual, but is capable of division so as to appropriately benefit a number of staff who may have contributed towards the expression of gratitude that the gift represents, it may be retained on this basis, or delivered to the SIMSL HR department to be donated towards staff events or charitable causes.
- Hospitality, promotional and other business expenditure, made seeking to improve the image of the Company, better to present products and services, and to improve cordial relations with business counterparties, is acceptable. Potential abuses with hospitality occur when it is excessive in value or frequency, or leaves the recipient in a position of obligation.

3.6 In dealing with bribery and corruption

- In this Policy:
 - Bribery is the offering, promising, giving, accepting or soliciting of a financial or other advantage (often on an undisclosed or secret basis) as an inducement or reward for an action which is illegal, improper or a breach of trust. Examples of a bribe are given in schedule 2.
 - Facilitation payments are small payments made to secure or speed up routine actions, usually by public officials, such as issuing permits, immigration controls, providing services or releasing goods held in customs;
 - A political contribution is a contribution, financial or in kind, to support a political cause. This may include donations, gifts or loans of property, provision of services, advertising or promotional activities endorsing a political party, purchase of tickets to fundraising events and contributions to research organisations or 'think-tanks' with close associations to a political party;
 - Political causes includes political parties, election committees, party affiliated organisations, party aligned research bodies, pressure or lobby groups, causes that are politically aligned, party officers and candidates.
- The Company has a zero tolerance to bribery and corruption and is committed to acting professionally, fairly and with integrity in its business dealings and relationships, implementing and enforcing effective systems

- to counter bribery. Mr. Stephen Martin, Chief Operating Officer, is the Company's dedicated anti-bribery and corruption officer
- The Company prohibits the payment of bribes. If for any reason a staff member suspects that a payment might be improper, or constitute a bribe or a facilitation payment, the suspect transaction should immediately be reported to a line manager, and/or a SIMSL Director and/or the Chief Operating Officer for investigation.
 - The zero tolerance to bribery extends to all the Company's business dealings and transactions in all countries in which it and its associates operate. All staff members are required to follow the Company policies and procedures in place to counteract bribery and corruption including conducting proper due diligence on third parties. The Company communicates its anti-bribery policy and requirements to third parties with whom it has dealings, by means of a corporate statement published on the Company website and, where appropriate, by the imposition of contractual terms. The Company requires business counterparties to implement effective policies to counter bribery and corruption in their own dealings and those associated with the Company, especially where there is a significant investment or business relationship with the Company. No payments should be made to any third party, which are not properly vouched and/or where the connection with the transaction cannot be satisfactorily explained. Third parties include any individual or organisation doing business with the Company, or with whom a staff member comes into contact during the course of their work for the Company, and includes actual and potential members, customers, suppliers, distributors, business contacts, correspondents, agents, service providers, advisers, brokers and government and public bodies, including their advisors, representatives and officials, politicians and political parties.
 - The Company prohibits 'kickbacks,' 'facilitation' or 'grease' payments as these are bribes and illegal. The Company prohibits the making of such payments directly, or indirectly, by any third party on the Company's behalf.
 - The Company does not make political donations or contributions to political parties and prohibits any such payments made in an attempt to influence any political decision or gain a business advantage.

Staff must not:

- Give or receive gifts of cash.
- Give, promise to give, or offer, a payment, gift or hospitality as part of any arrangement where the recipient or donor agrees or expects or has negotiated a particular advantage to be provided in return.
- Give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure.
- Threaten or retaliate against another staff member who has refused to commit a bribery offence or who has raised concerns under this Policy.

- Offer or make any kind of unofficial or unorthodox payment or benefit to government officials and others with decision-making power over the Company's or the staff member's own affairs.
- Offer to pay a broker for its business other than in accordance with the authorised brokerage agreements payable in accordance with the Underwriting Department Procedures (Managing Commission).
- Keep accounts "off-book" to facilitate or conceal improper payments.

Staff must:

- Report to a SIMSL Director or the Chief Operating Officer as soon as reasonably practical any approach from any person, company or government agency which the staff member suspects may be a bribe, facilitation payment or aimed at soliciting or offering personal payments or favours.
- Ensure that payments made in the course of business to third parties including, suppliers, service providers and other intermediaries, are made against invoices or other proper documentation, through bona fide channels and in accordance with the Company's established Finance, Underwriting and Claims Department Procedures as applicable.
- Notify their line manager and/or a SIMSL Director as soon as possible if a breach of this policy has occurred, or is suspected or threatened; for example, if a member or supplier or potential member or supplier offers an inducement to secure a business advantage with the Company, or indicates that a gift or payment is required to secure its business. Further examples of "red flag" risk scenarios that may indicate bribery or corruption and which require immediate notification are set out in the Schedule 3.
- Keep financial records in place which will evidence the business reason for making payments to third parties.
- Seek authorisation and declare as appropriate in accordance with the requirements in Schedule 1 all hospitality or gifts accepted or offered.
- Ensure that all claims for reimbursement of expenses relating to Company business, including hospitality, gifts or expenses incurred to third parties, are specifically recorded, stating the reason for the expenditure, and are duly authorised in accordance with the Company's Signing Authority Levels prior to submission to the Finance Department for reimbursement.
- Ensure all accounts, invoices, memoranda and other documents and records relating to payments to third parties are prepared and maintained with strict accuracy and completeness.

No staff member will suffer demotion, penalty, or other adverse consequences for refusing to pay bribes even if such refusal may result in the Company losing business.

If a staff member gives or receives a bribe the reputation of the Company could be damaged and an unlimited fine imposed. The staff member could also personally be prosecuted and receive an unlimited fine or be sent to prison for up

to 10 years. The staff member will also face disciplinary action and will almost certainly lose their job within the Company.

4. Prevention of Financial Crime

Staff members must adhere to the policies and procedures designed to protect the Company from doing business with Members involved in criminal activity. Refer to the Fraud and Money Laundering Policies

5. Raising Concerns

The Company aims to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. Staff are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage.

Staff members should raise any concerns or queries with their line manager. The line manager should be able to agree a way of resolving the concern quickly and effectively. In some cases the line manager may refer the matter to a SIMSL Director and ultimately the Chief Operating Officer. However, where the matter is more serious, or the staff member feels either that the line manager has not addressed the concern, or that it would be preferable not to raise the issue with the line manager, for any other reason, the matter should be referred directly to the Chief Operating Officer. Refer to Whistleblowing Policy.

6. Breaches of the Policy

Allegations regarding potential breaches of this Policy will be treated in confidence and investigated by the Chief Operating Officer. Staff who make such allegations in good faith will not be victimised or treated less favourably as a result. False allegations which are found to have been made in bad faith will, however, be dealt with under the Company's Disciplinary Procedure.

The Company takes a strict approach to breaches of this Policy. Any staff member who is found to have committed an act in breach of this Policy will be subject to disciplinary action. Such behaviour may constitute gross misconduct and, as such, may result in summary dismissal.

7. Roles and Responsibilities

The Company's Board of directors have overall responsibility for ensuring this Policy complies with the Company's legal and ethical obligations and that it is complied with.

SIMSL's senior management (Syndicate Managers or equivalent and above) has primary and day-to-day responsibility for implementing this Policy. SIMSL's Human Resources Department is responsible for ensuring that staff are made

aware of and understand this Policy and are given adequate and regular training on it.

All staff members are responsible for the success of this Policy and should ensure it is used to disclose any suspected danger or wrongdoing.

The Company's Compliance Manager will monitor the effectiveness and review the implementation of this Policy to consider its suitability, adequacy and effectiveness. Any breaches of this policy will be reported by the Compliance Manager to the Company's Board via the Company's Audit Committee. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to audits by Internal Audit to provide assurance that they are effective.

The Board shall review this Policy on a regular basis.

Schedule 2 - Examples of Bribery

1. Offering a bribe

A staff member offers a potential Member tickets to a major sporting event, but only if they agree to do business with the Company.

This would be an offence as the staff member is making the offer pursuant to an arrangement to gain a commercial and contractual advantage. The Company may also be found to have committed an offence because the offer has been made to obtain business for the Company. It may also be an offence for the potential Member to accept the staff member's offer.

2. Receiving a bribe

A supplier gives a staff member's nephew a job, but makes it clear that in return the staff member is expected to use his/her member's influence in the Company to ensure that the Company continues to do business with the supplier.

It is an offence for a supplier to make such an offer. It would be an offence for the staff member to accept the offer as the staff member would be doing so to gain a personal advantage which might also conflict with the interests of the Company.

3. Bribing a foreign official

The staff member offers for the Company to make an additional unofficial payment to a foreign official to speed up an administrative process, such as securing a government licence.

The offence of bribing a foreign public official has been committed, as soon as the offer is made. This is because it is made to gain a business advantage for the Company. The Company may also be found to have committed an offence. The offence is committed if the payment is offered or made with the intention of influencing the foreign public official acting in that capacity. It is not necessary to prove improper performance by the foreign public official or an intention to induce improper performance by him.

Schedule 3 - Potential risk scenarios: "red flags"

The following is a list of possible "red flag" risk scenarios that may arise in the course of Company business and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If a staff member encounters any of these "red flags" whilst working for the Company, the staff member must report them promptly to his/her line manager and/or a Director:

- The staff member becomes aware that a third party who does business with or for the Company engages in, or has been accused of engaging in, improper business practices;
- The staff member learns that a third party who does business with or for the Company has a reputation for paying bribes, or requiring bribes to be paid to it, or has a reputation for having an improper "special relationship" with foreign government officials;
- A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- A third party requests that payment by the Company is made to an entity other than that third party or to a country or geographic location different from where the third party resides or conducts business;
- A third party requests an unexpected additional fee or commission to "facilitate" a service;
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- A third party requests that a payment is made to "overlook" potential legal violations;
- As a condition for doing business with the Company, a third party requests that a Company staff member provide employment or some other advantage to a friend or relative;
- A staff member receives an invoice from a third party that appears to be non-standard or customised;
- A third party refuses to put terms agreed in writing;
- A staff member notices that the Company has been invoiced for a commission or fee payment that appears unusual, or large in relation to the service stated to have been provided; or
- A staff member is offered an unusually generous gift or offered lavish hospitality by a third party.