

Code of Conduct



1. PURPOSE OF CODE

- 1.1 Health Insurance Fund of Australia Limited ('HIF' or 'the Company') is committed to conducting business and achieving its objectives in a manner that is consistent with the Company's core values.
- 1.2 HIF's Code of Conduct ('the Code') outlines the standards expected to ensure that those it applies to are respectful and understanding of their obligations in relation to HIF, work ethic, relationships with each other and third parties, and in relation to all HIF and public property.

2. SCOPE OF CODE

- 2.1 This Code applies to all directors and employees of HIF and to the extent capable or permitted, to any agent, contractor employed or consultant engaged by the Company.
- 2.2 Directors and employees of HIF have at all times an obligation to comply with the spirit as well as the written words of this Code.

3. VALUES

- 3.1 This Code sets out the ethical standards that are expected of all directors and employees in their dealings with members, suppliers, stakeholders and each other. An action or omission by a person that contravenes this Code constitutes misconduct and will be subject to counselling and/or disciplinary action (which action may extend to removal or termination of employment) appropriate to the circumstances.
- 3.2 All directors and employees must avoid conflicts including the appearance of conflicts between personal interests and the interests of HIF.
- 3.3 Reporting fraudulent and other inappropriate activity is encouraged by the Board and executive management. HIF will have a formal and confidential reporting system and other internal processes as may be required to ensure that a person making a report is protected from any discrimination or intimidation.

3.4 HIF's core values include:

3.4.1 Care;



3.4.2 Agility; and



3.4.3 Innovation



3.5 HIF believes that by remaining loyal to its core values, directors and employees will attain high levels of:

- 3.5.1 Commitment;
- 3.5.2 Satisfaction; and
- 3.5.3 Accountability

for themselves and those with whom they come into contact.

4. CODE RULES

Conflicts of Interest

Directors and employees of HIF must make every effort to avoid conflicts, including the appearance of conflicts. However, where a conflict or the appearance of a conflict occurs, it is a requirement that the matter is reported in an appropriate manner and to a director(s) or senior manager(s) not involved in the matter.

HIF regards a director's or an employee's personal or commercial interests as conflicting where a reasonable person would, had they all of the relevant facts or information, properly conclude that those personal or commercial interests interfere or appear to interfere with the interests of HIF.

HIF will be concerned if a conflict or the appearance of a conflict exists where a director or employee, or their family or friends, has a personal or commercial interest, or is involved in decision making affecting HIF, that could influence the director's or employee's performance or have a negative impact on their loyalty to HIF.

HIF directors and employees must obtain HIF's approval before they accept a position or role with any other company, business or organisation as a director, employee, consultant or agent whether it is remunerated or not, if to do so would give rise to a conflict or the appearance of conflict.

If a director or employee of HIF becomes involved in a conflict or the appearance of a conflict, they must report the matter immediately and desist from further involvement in decision making relating to that matter.

Using opportunities and benefits attributable to association with HIF

Directors and employees must not use HIF information, property; their position or special circumstances to gain an improper benefit for themselves, their family or their friends.

The receipt or payment of a secret commission or bribe is strictly forbidden. Directors and employees must not take money, an opportunity or other benefit if to do so would be contrary to the interests of HIF.

Gifts and other benefits

Directors and employees must exercise the utmost care when accepting gifts, hospitality or other benefit, and they must ensure that where a gift or hospitality is provided to them and/or another person (i.e. who may not be a director or employee of HIF), it is not beyond what would be regarded as reasonable in the conduct of HIF's business, having regard to the circumstances and the likelihood that the director's or employee's impartiality may be impaired.

Accepting gifts, hospitality or other benefits, or knowing that a gift, hospitality or other benefit is derived or likely to be derived by another person will be improper if it does or is intended to create an obligation, commitment or inducement, or a conflict of interest, resulting in impaired impartiality.

Directors and employees are encouraged to assess the likelihood that a gift, hospitality or other benefit will be determined to be improper by having regard to the value and frequency of the benefit and if there is doubt, then the director or employee should refer the matter to their fellow directors or manager for review.

Notwithstanding these requirements, directors and employees are not prevented from accepting a benefit as an acknowledgement or a thank you for a contribution that was made or assistance that was given in a particular circumstance. Examples these benefits might include entertainment, dinner, a gift (but not including cash or other form of payment).

Confidentiality

Directors and employees must at all times during their directorship or employment, and afterwards indefinitely, exercise the utmost care to ensure the integrity and security of HIF's confidential data and information. If there is any doubt about the confidential nature of HIF data or information, the matter should be adjudicated before the data or information is provided to another person.

Confidential information of HIF includes data, information and any other form of information, including but not limited to non-public information about HIF's affairs, business operations, marketing and advertising agenda, plans, budgets, forecasts, prices, costs, analyses, directors, employees, policy holders, company members, clients, customers and suppliers.

Directors and employees must not improperly access, transfer or disclose confidential data or information to anybody else except in the performance of their normal duties or in accordance with a prior approval (by a person who has the authority to provide such an approval) or a legal requirement.

Confidential information that is inadvertently received by a director or employee must be returned to the supplier immediately.

When there is a legal requirement to supply data or information that has not been approved, the relevant director or employee must notify HIF immediately that that data or information has been supplied and the identity of the recipient(s).

Privacy

Directors and employees of HIF must at all times maintain privacy in respect of personal data and information that has been entrusted to HIF by directors, employees, policy holders, company members, clients, customers, contractors, agents and suppliers of HIF.

Personal data or information includes material, including non-factual material like opinions, whether true or not and whether written or not, that relates to a person whose identity is known or apparent or can reasonably be established from accessing that data or information.

Directors and employees of HIF must at all times adhere to HIF's Privacy Policy Statement which can be accessed from HIF's website.

Directors and employees of HIF must at all times adhere to the requirements of the *Privacy Act 1988 (Cth)* and any other laws relating to privacy that is/are applicable to HIF.

Act in good faith, with respect and be fair

Directors and employees must treat all stakeholders with respect and be fair in all dealings with them.

Transactions with HIF's stakeholders shall always be based on commercial considerations involving merit as a means of differentiation amongst competing interests.

Directors and employees of HIF must act in good faith and at arm's length in relation to all transactions with stakeholders.

No discrimination

HIF is committed to respecting diversity in the workplace and ensuring everybody is treated with courtesy, fairness and respect. To comply with these imperatives, HIF differentiates according to merit based on a number of considerations including performance, qualifications, skills, and experience.

In considering merit, HIF does not discriminate or differentiate on the basis of gender, race, religion, colour, marital status, sexual orientation, transgender status, age, disability, personal associations, political beliefs, family situation, pregnancy, membership of (or non-membership of) or affiliations with trade unions or professional bodies.

Protecting assets and property

Directors and employees must use all reasonable effort and judgement to protect HIF's assets and property and subject to the Constitution of HIF and this Code, only use them for legitimate HIF business purposes. HIF's assets and property must not be consumed, applied or deployed in respect of an unlawful or unauthorised activity or an activity that attracts a significant amount of risk having regard to materiality and HIF's recognition that its business activities involves accepting risk.

Assets and property include but are not limited to land, buildings (including improvements), plant and equipment, furniture, motor vehicles, intellectual property, stock and merchandise, computer hardware and software, HIF data and information (including business records), cash and investments.

Assets and property of HIF must not be used, consumed, applied or deployed for personal reasons unless approved by HIF. Limited personal use of HIF assets and property is accepted if it is authorised by HIF, properly disclosed and recorded, and is used in an appropriate way, including in circumstances involving the use of HIF owned or controlled communication and recording devices (e.g. telephones, mobile cell phones, computers, facsimiles, photo-copiers), motor vehicles (e.g. approved salary sacrifice arrangement) and cash (e.g. director/employee relations, amenities, recognition and reward and business entertainment).

Directors and employees must report fraud or potential fraud to the appropriate director or executive manager.

Laws, regulations, standards and guidelines

HIF will provide induction and orientation to all new directors and employees, as well as ongoing training, education and coaching as may be required to ensure the highest standards of accuracy and compliance.

HIF's induction and orientation program for new directors and employees identifies and covers the main legislation governing the operations of registered private health insurers, including but not limited to the *Private Health Insurance Act 2007 (Cth)* and the *Corporations Act 2001 (Cth)*.

HIF will ensure that, where required, only suitably experienced and qualified persons or specialists will occupy roles that require a strong focus on legislative compliance, including members of the Executive Management Team, the Audit and Risk Committee and the Nomination and Remuneration Committee.

Directors and employees must not breach, or give rise to an omission amounting to a breach of, any law. If a director or employee believes a breach of a law may have occurred, is about to occur or could occur, the matter must be referred to an appropriate executive manager or director.

HIF encourages all directors and employees to undertake ongoing training and education to ensure they remain up to date with the relevant legislation and other compliance matters affecting HIF's business operations.

Financial reporting and transparency

HIF is committed to providing accurate and informative financial and other information to its stakeholders, including to the directors, policy holders, company members, and regulatory bodies.

HIF will be transparent when communicating with stakeholders to deal with their enquiries and questions relating to HIF's financial reports, provided that HIF reserves the right to protect the interests of its policy holders, or any other stakeholder, in accordance with the provisions of this Code.

HIF operates a number of processes and procedures designed to ensure financial information is accurate, of a high standard and quality, is informative, reflects HIF's financial position truly and fairly, and is devoid of false and misleading information or concealed information.

'Whistle-blowing' and reporting protected

HIF is determined that directors and employees of HIF have unfettered access to an appropriate executive manager or director to report illegal conduct, fraud, dishonest or corrupt behaviour, unethical behaviour, improper conduct or unsafe work practices ('whistle-blowing').

HIF will operate systems and procedures that support and encourage genuine whistle-blowing without fear or concern of reprisal, intimidation, discrimination, harassment or other form of victimisation.

HIF will respect a whistle-blower's request to remain anonymous, provided that this does not offend a law.

Safe work environment

HIF will operate systems and procedures, and standards and guidelines to ensure directors, employees and members of the public are not exposed to unsafe situations or environments or hazards when visiting premises controlled by HIF. HIF's directors and executive managers are responsible for ensuring HIF's work environments meet the legal requirements for occupancy and safe work practices, and for determining standards for attire that address HIF's reasonable requirements so far as personal presentation, cleanliness, hygiene and safety.

Trade practices

HIF will act fairly and honestly in its dealings with policy holders, suppliers and other stakeholders.

HIF will act independently of its competitors and will ensure that executive management function in respect of HIF's competitive environments and other trading activity with regard for the applicable trade practices legislation.

Drugs, alcohol, tobacco and illegal substances

HIF directors and employees shall act responsibly with respect to the consumption of alcohol and tobacco, particularly so far as their behaviour whilst on HIF controlled premises and when representing HIF's interests at external events.

Directors and employees of HIF shall not be under the influence of drugs, alcohol or illegal substances whilst carrying out their official duties and responsibilities as a director or employee, provided that they may do so (save for excessive use or abuse) if a drug (e.g. anti-biotic) or medicine (e.g. headache tablet) has been prescribed by a qualified medical practitioner or is a generally accepted solution for dealing with a health complaint (e.g. pain relief). HIF has a right to require evidence that a drug or medicine is so prescribed.

HIF has '*zero tolerance*' towards situations involving directors or employees who attend HIF controlled premises or represent HIF's interests at external events under the influence of drugs or other illegal substances.

HIF shall have a right to administer or arrange to have a third party administer random drug/alcohol tests on HIF directors and employees on HIF controlled premises.

HIF has a '*zero tolerance*' for the use of, possession of or transfer of drugs or illegal substances on any HIF controlled premises.

The internal environments of HIF controlled premises are '*100% smoke-free*'. HIF directors and employees who smoke must not cause or contribute towards the occurrence of passive smoking on HIF controlled premises (i.e. HIF internal and external premises).

In addition to this Code, HIF may issue other policies, procedures, standards or guidelines to deal with its position on drugs, alcohol, tobacco and illegal substances.

Electronic communications

HIF's electronic communications mediums, including e-mail, internet, intranet, telephone (including land line and mobile) and facsimile ('electronic communications') shall be used in an efficient and effective manner for the legitimate business purposes of HIF.

Use of HIF's electronic communications shall not involve misuse or abuse and shall not be used to harass, intimidate or discriminate against a person or be used for an illegal purpose or accessing inappropriate material.

Unsolicited material that is of no benefit to HIF and/or is inappropriate material should be deleted/destroyed immediately.

HIF accepts that directors and employees may use HIF's electronic communications for personal use which is incidental to their main duties and responsibilities. HIF accepts a reasonable amount of use of electronic communications for personal reasons (other than those uses strictly forbidden in this section) provided the use has an insignificant impact on HIF's business purposes.

In addition to this Code, HIF may issue other policies, procedures, standards or guidelines to deal with HIF's electronic communications (e.g. a computer use policy).

Public and media statements

Directors and employees of HIF accept that unless they are authorised, all public statements (including statements posted on HIF's internet) and interviews (if any) relating to HIF must emanate from either the chairman of the board or the managing director.

Unless authorisation is given, directors and employees must not allow photographers, videographers or journalists access to HIF's premises to record any aspect of HIF's operations or activities.

Reporting a breach

Subject to the identity of the person involved or alleged to have been involved in a breach of this Code, and as a general guide, a breach including a potential breach of this Code by an HIF employee should be reported to an executive manager who reports directly to the managing director (in which case the executive manager will report the matter to the managing director if he/she is not involved in the breach) or to the chairman of HIF's Internal Audit and Risk Committee.

A breach, including a potential breach, of this Code by an HIF director should be reported to the chairman of HIF's Internal Audit and Risk Committee if he/she is not involved, otherwise it should be reported to the chairman of the HIF board.