

Integrity First

The ACE Code of Conduct

Integrity is the heart of our company. ACE is only as strong as our reputation for honesty, fairness and ethical behavior—and every one of us owns a piece of that reputation every time we make a business decision.

— Evan Greenberg

Colleagues:

ACE is more than a collection of individuals or business units. We are a community defined by our common values, and we will never allow our commercial pursuits to overshadow our dedication to those values. Our five core values are:

INTEGRITY We comply with all applicable laws, regulations and company policies—in our words and in our deeds. Honesty, character and ethical behavior guide us to do the right thing.

CLIENT FOCUS We are committed to our clients. We strive to understand their risks, we make promises, and we keep them.

RESPECT We value our employees, partners and communities. We are dedicated to fair treatment, diversity, trust and mutual respect.

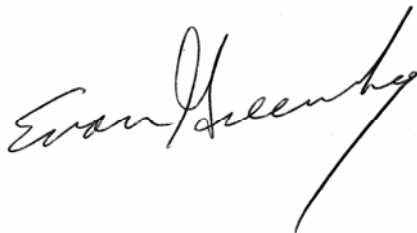
EXCELLENCE We recognize and reward excellence in the workplace. Performing at the highest level requires us to think and act like owners.

TEAMWORK We believe an environment of open communication and collaboration produces results. We encourage full participation, different perspectives, constructive criticism and a sense of pride in who we are and what we do.

Our values are the foundation upon which our business is built. Our customers, shareholders, co-workers and the communities in which we do business expect honest and ethical conduct from us each and every day. *Integrity First: The ACE Code of Conduct* reaffirms our shared commitment to ethical behavior throughout the ACE organization.

Every one of us at ACE has an obligation to contribute to ACE's reputation for high ethical conduct. *Integrity First* will guide you in your day-to-day activities as an ACE employee by clearly defining expectations for behavior. Your acting in a way consistent with these guidelines will strengthen our company as we face the unique challenges of the 21st century.

Please take the time to read *Integrity First* completely and, should you have any questions, please feel free to call the ACE Ethics Helpline or our Global Compliance & Business Ethics Officer.



Evan Greenberg
Chairman & Chief Executive Officer
ACE Limited

ACE is a law-abiding citizen

We employees, officers and directors of ACE hold ourselves accountable for complying with *Integrity First, The ACE Code of Conduct* and the company's other policies, and we accept the fact that anyone violating the company's policies may be subject to disciplinary action. We also understand that ACE requires employees, officers and directors to comply fully with all government laws, rules and regulations that apply to our operations. Although *Integrity First* and other ACE policies available on ACE Connect provide considerable detail on many of these laws, there are more that apply to our business than we can mention in this document.

We understand our obligation to consult our Compliance department representative or call the ACE Ethics Helpline if we have any question about how to comply with *Integrity First: The ACE Code of Conduct*, other ACE policies, and all applicable laws, rules and regulations.

Under unusual circumstances, ACE may waive certain provisions of the Code of Conduct when appropriate. Any employee who believes that a waiver may be called for should discuss the matter with the ACE Global Compliance & Business Ethics Officer. Waivers for executive officers or directors of ACE Limited may be made only by the Board of Directors or a committee of the board, and must promptly be disclosed to shareholders.

ACE's reputation is your responsibility

Your responsibility does not end with a simple reading of this code. If you become aware of conduct that may be in conflict with our company's commitment to ethical behavior, you have an obligation to report it. If you have any question about how to comply with *Integrity First: The ACE Code of Conduct*, other ACE policies, or the government laws, rules and regulations that apply to our business, you must consult your Compliance department representative.

You can also call the ACE Ethics Helpline at +1 800-381-5718 24 hours a day, 7 days a week. An independent service, the ACE Ethics Helpline is completely confidential.

ACE does not permit retaliation of any kind against good-faith reports or complaints of violations of the ACE Code of Conduct, its other policies, or any other laws, rules or regulations.

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Equal Employment

We at ACE have the right to be treated with respect and dignity, and we all have a role in creating a supportive, accepting and rewarding work environment here at ACE. Our values form the foundation for this commitment to fair treatment, backed by many of the policies and practices outlined here.

As employees, officers and directors of ACE, we understand that equal opportunity and fair treatment are the rights of all employees. At ACE, we prohibit discrimination on the basis of race, color, religion, age, gender, sexual orientation, national origin, disability, veteran status, marital status or any other characteristic protected by law, and we make all employment decisions and set all terms and conditions of employment without regard to these characteristics.

AT ACE, we comply with U.S. Equal Employment Opportunity (EEO) laws, and/or with other applicable national and local civil rights, human rights and labor laws.

We at ACE are committed to providing an environment in which diversity is valued. Our respect and appreciation for diversity in our workforce is a key business asset, in part because it enables us to attract and retain talented individuals who contribute to our success.

Case Study

Growing up in China, Yang Chou Wuan works hard, and he eventually moves to the United States, where he earns his MBA and CPCU and joins the Finance department of a major insurer. There Wuan is quickly recognized for his superior abilities and positive attitude, and he is recommended for a promotion. Wuan's potential new supervisor, Gordon, chooses a less-qualified candidate, stating to Human Resources representatives involved in filling the position that he is uncomfortable working with Asians. The HR representatives counsel Gordon about his clear violation of the company's antidiscrimination policy and ensure Wuan's promotion.

A Harassment-free Workplace

At ACE, our desire for teamwork and excellence demands a workplace free from harassment and other intimidating behaviors. As employees, officers and directors of ACE, we create a professional, harassment-free work environment. Worldwide, ACE offices are places where employees treat each other and those with whom we do business with respect.

At ACE, we expressly prohibit:

- Harassment on the basis of race, color, creed, gender, sexual orientation, age, national origin or ancestry, religion, physical or mental disability, marital status, veteran status, medical condition, age or any other protected category, including:
 - Verbal harassment, such as threats, epithets, derogatory comments or slurs
 - Harassment through visual media, such as posters, photographs, cartoons, drawings or gestures
 - Physical harassment, such as assault, unwanted touching or blocking normal movement
 - Retaliation for reporting harassment or threatening to report harassment
- Abusive language, physical aggression, deliberately causing injury to another, or any disorderly conduct or malicious disturbance, including harassment of others
- Sexual harassment—whether directed toward a person of the same or opposite gender—including unwelcome sexual advances, requests for sexual favors, and other physical, verbal or visual conduct based on gender when:
 - Submission to the conduct is an explicit or implicit condition of employment
 - The conduct has the purpose or effect of unreasonably interfering with the individual's work performance by creating a hostile, offensive or intimidating work environment

Our harassment-free workplace policy applies both to the workplace and to settings outside the workplace.

Case Study

John schedules an appointment with Alba, a new employee on his staff, to review her job duties. When Alba reports to John's office as requested at 5 p.m. that day, John says he wants to go out for a drink for their discussion. Alba expresses discomfort at the idea, but John replies, "That's the way we do business here. You'll have to learn to loosen up, or you won't make it here long. Let's go." As they proceed down the hall, he puts his arm around her shoulders.

John's words and actions constitute harassment because he suggests explicitly that Alba must accept his conduct or risk losing her job. She has every right to take action against him, and she should be protected from retaliation for doing so.

A Workplace Free of Substance Abuse

Abuse of substances—whether alcohol or drugs—poses a serious threat to our own health and safety, to the productivity of our organization and to the well-being of all outside stakeholders of ACE. We at ACE maintain a drug-and-alcohol-free policy that extends worldwide and that applies to us, our vendors, our customers and our guests.

Our substance-free workplace policy prohibits:

- The use or possession of alcohol, illegal drugs or other controlled substances in the workplace, under any circumstances (except for prescription medication for medical treatment)
- Being under the influence of alcohol, illegal drugs or any other controlled substances in the workplace or while on company business

Company Functions Involving Alcohol

ACE management may approve the serving of alcoholic beverages at some company-sponsored events. In these cases, we follow all appropriate liquor laws, including laws regarding the serving of alcohol to those under the legal drinking age. We prohibit excessive drinking or intoxication at these events.

Case Study

Jamie makes many trips through Europe and Asia on business. During his travels, he purchases drugs legally in one country, but then carries the drugs to another country where they are illegal. He is arrested for possession of an illegal substance, and although his employer works for his release and return to his home, the company dismisses him for cause on the basis of its policy against the use of controlled substances while on company business.

Case Study

Following a particularly stressful week, Mary becomes intoxicated at a company-sponsored holiday party. The next day, Mary's manager speaks to her about her inappropriate behavior. Mary tries to dismiss his concerns because the alcohol was supplied by the company, but her manager insists that her conduct must not be repeated because of the company's standing policy prohibiting excessive drinking at company events or while on company business.

Loyalty

As employees, officers and directors of ACE, we all owe ACE our loyalty. This means we recognize that corporate opportunities belong to the company.

If, through our work, we become aware of opportunities that are appropriate for ACE, we pursue those opportunities on behalf of the company, if it is interested, rather than on behalf of ourselves or others. We never use ACE's property, including ACE's proprietary information, or our positions with the company, for personal gain, and we do not compete with ACE.

Because we understand that theft, carelessness and waste have direct impacts on ACE's profitability, we protect the company's assets, use them for legitimate business purposes only and ensure their efficient use.

Case Study

David, a senior manager in the Casualty unit of a major insurer, learns in the course of his work that a large and profitable book of business is available for purchase. He shares this information with a long-time friend from business school, John, who tries to convince David to leave his present employer and form a partnership to pursue the opportunity for their own profit. David's duty to his company, however, prevents him from pursuing this opportunity for his and John's benefit.

Dealing Fairly with Stakeholders

As employees, officers and directors of ACE, we deal honestly and fairly with each other and with the company's customers, suppliers and competitors.

We use our judgment to avoid actions that could be construed as taking unfair advantage of others in any way—manipulating others, concealing information others would find significant, using privileged information to which we are privy for our own advantage, or misrepresenting facts to others.

Dealing fairly with others also means ensuring that we are above reproach in our relationships with competitors (see “Anti-Competitive Laws”) and with government officials (see “Business Gifts and Entertainment”).

Case Study

Steve and his friend Everett work for competing insurance companies. When Everett tells Steve that his company is about to announce a new product, one that is more innovative than anything on the market, Steve takes the information to his supervisor, and suggests that their company get out ahead of Everett's company with an announcement about its own innovative product, even if they have not worked out the details of the coverage. Steve's boss rejects his suggestion, however, citing their responsibility to deal honestly with customers and fairly with the competition.

Conflicts of Interest

As we work with brokers, insureds, customers, vendors and others who do business with our company, we may be presented with potential conflicts between our own interests and those of the company. Because such conflicts of interest undermine our company's success and its reputation, our code prohibits acting in conflict with the interests of the company, and we manage our business relationships with our responsibility toward ACE in mind, avoiding even the appearance of conflicts of interest.

A conflict of interest occurs when our personal considerations compete with the purpose, policies or operations of ACE. The appearance of a conflict is what a reasonable person might view as a potential conflict.

Other Business or Financial Interests

The potential for conflicts of interest doesn't end when we leave our offices, and this policy applies equally to business and personal activities. Even outside the office, we avoid situations that may lead to a conflict—or the appearance of a conflict—with ACE's interests.

We notify our supervisor and our Compliance department representative, or we call the ACE Ethics Helpline, as soon as we become aware of a significant financial interest in ACE insureds, vendors, consultants or competitors on our part or on the part of our family members—including spouses or domestic partners, parents, spouse's or domestic partner's parents, siblings, children, grandchildren, grandparents, uncles, nephews and nieces—and we cooperate with members of the ACE Compliance department to determine the appropriate course of action to eliminate such conflicts.

Involvement in Other Organizations

We notify our supervisor and our Compliance department representative, or we call the ACE Ethics Helpline as soon as we become aware that we are serving as a director, officer or consultant of any company doing business with ACE, even if the position is unpaid.

Annual Reporting

As employees, officers and directors of ACE, we are all required to report any conflicts of interest (or potential conflicts of interest) as part of the ACE Code of Conduct Annual Affirmation Statement.

Many actions and behaviors can create conflicts of interest:

- Conducting ACE business with family or personal friends—such as awarding an ACE contract to your brother-in-law
- Owning a significant interest in, or serving in a key role for, outside companies that do or seek to do business with ACE, or that compete with ACE for business
- Taking advantage of personal investment opportunities afforded to us by virtue of our positions with ACE
- Making personal investments in companies that we know are candidates for acquisition or investment by ACE

- Receiving or giving loans or guarantees of obligations to employees, officers or directors of other companies that do business with ACE, or to their respective family members
- Accepting business gifts (see “Business Gifts and Entertainment”)

Case Study

Anne, an underwriter, spends hours each month building business relationships with key brokers in California. When a broker Anne often works with learns that Anne’s daughter is looking for an internship following her freshman year at college, the broker offers her an internship with his company. Anne’s daughter may not accept this position because it creates a conflict of interest—insofar as Anne could be indebted to the broker—even if Anne did not solicit the appointment.

Business Gifts and Entertainment

While conducting business for the company, employees, officers and directors of ACE may occasionally give gifts and provide entertainment, and we may receive gifts or entertainment from others. We view offering and accepting gifts and entertainment as appropriate, provided that our actions comply with company guidelines and all other applicable policies, laws and regulations.

In all matters related to gifts or entertainment, we at ACE exercise good judgment. We understand that under no circumstances may we or our family members:

- Offer, solicit or accept bribes
- Accept or present gifts, meals or entertainment, travel or lodging as a business inducement or *quid pro quo*
- Accept or present gifts, meals or entertainment (including, but not limited to, beverages, recreation, lodging and tickets), travel or lodging for the purpose of inappropriately influencing good business judgment, impartiality, the fiduciary duties or loyalty of those being entertained in any business dealings or transactions involving ACE, or any business associate of ACE
- Accept or present gifts, meals or entertainment, travel or lodging of any value if doing so would reasonably present a conflict of interest in light of customary industry practices
- Offer or accept gifts, meals or entertainment, travel or lodging if we know our actions would be prohibited by the specific practices of the other party or by law
- Offer or accept travel or lodging of any value unless such offer or acceptance is in accordance with the policy outlined below

In addition, we adhere to these restrictions:

Gifts

As employees, officers and directors of ACE, we may not seek, accept or offer the following gifts:

- Cash or cash equivalents, such as bonuses, tickets (except as permitted herein), bank checks, traveler's checks, money orders, investment securities, negotiable instruments or services, payment of credit card charges or the like, *regardless of amount*
- Any items with a value in excess of \$250 (or the equivalent in local currency) in the aggregate during a calendar year given by, or to, any individual

Note: Meals or entertainment where ACE employees, officers or directors are not accompanied by non-ACE business associates are to be treated as gifts subject to this restriction.

In rare instances when refusal, reimbursement or return of gifts would cause offense or embarrassment to the giver or would otherwise adversely affect the relationship between ACE and the giver, we may accept items worth more than \$250 or the equivalent in local currency on behalf of ACE, and we acknowledge that they become the property of ACE. We must advise the giver in an appropriate manner that the items were accepted on behalf of ACE, and we must report these gifts to the ACE Global Compliance & Business Ethics Officer within 20 days.

There may be limited exceptions where ACE may give gifts to an individual that total more than \$250 in the aggregate during a calendar year in certain regions of the world, but all such exceptions must be approved first by the ACE Business Group Chief Executive Officer and then by the ACE Global Compliance & Business Ethics Officer.

Meals and Entertainment

As employees, officers and directors of ACE, we may accept or offer meals and entertainment from business associates (non-ACE employees, officers or directors) or prospective business associates as long as the business associates accompany us. We may accept meals or tickets to sporting events, the theater and other recreational events (e.g., golf outings), provided that the purpose is for us to discuss general or specific business matters with non-ACE business associates, and provided that these events:

- Are consistent with good business practices and local law
- Have a business purpose
- Are not an improper business inducement
- Would not embarrass ACE if disclosed publicly
- Are not in poor taste or at a venue that would reflect poorly on ACE (e.g., unsavory or sexually oriented events, or events otherwise in violation of the ACE commitment to mutual respect)
- Are not recurring frequently enough to suggest an improper motive

Travel and Lodging

It is a generally accepted practice within the industry to host, and attend, business conferences, presentations or recreational events for the purpose of general business discussions and brand-building. By their nature, such events customarily include the provision of lodging and/or transportation to attendees. ACE employees may offer or accept travel and lodging for such events provided that the travel and lodging provided are reasonable under the circumstances, and that the events:

- Are consistent with good business practices and local law
- Focus on general, and not specific, business matters
- Are not improper business inducements
- Would not embarrass ACE if disclosed publicly
- Are not in poor taste or at a venue that would reflect poorly on ACE (e.g., unsavory or sexually oriented events, or events otherwise in violation of the ACE commitment to mutual respect)
- Do not occur frequently enough to suggest an improper motive

ACE business units planning to sponsor such events will submit details to the ACE Global Compliance & Business Ethics Officer for review and approval. The ACE Global Compliance & Business Ethics Officer will set forth the form and timetable for such submissions, which will occur at least annually.

Special Note on Government Officials

Many countries, states and local jurisdictions have laws restricting gifts to government officials. In addition, the U.S. Foreign Corrupt Practices Act of 1977 outlines very serious provisions against bribery, including the payment or promise of payment of anything of value to foreign officials (including any person employed by or representing a foreign government, officials of a foreign political party, officials of public international organizations and candidates for foreign office), and including payments made indirectly through a consultant, contractor or other intermediary. Under no circumstances may we, as employees, officers and directors of ACE, offer anything of value to government officials, to their relatives or to entities controlled by them in order to influence the

government officials to take, or refrain from taking, any official action, or to induce them to conduct business with ACE.

(For additional information, see the section entitled “Foreign Corrupt Practices Act” : <http://home.aceins.com/AceMainRoot/ACE/codeofconduct/Integrity+First+Foreign+Corrupt+Practices+Actnbsp.htm>)

Frequently Asked Questions

- *We are arranging a golf outing for a number of our clients and brokers to enhance brand awareness and business relationships. As a prize at the event, we intend to offer a gift certificate to the pro shop. Is this permissible under the policy?*

Yes. In general, gift certificates are not considered equivalent to cash under the terms of the policy, and you may award or accept gift certificates valued at \$250 or less.

- *I am planning to invite a number of brokers to attend a golf outing with me. Is the amount I may spend on each broker limited to \$250 under the Business Gifts and Entertainment policy?*

The outing would be considered entertainment under the policy and would not be capped at the \$250 limit for gifts. It would, however, be subject to the other limitations on entertainment delineated in the policy.

- *I'll be traveling on ACE business to another ACE office, and while I am there I would like to arrange some meetings with people we would like to do business with in the future—people whom I otherwise would not get to meet in person. Under the new policy, am I permitted to take them to lunch?*

Yes, you are, provided the meal is reasonable (for example, provided you are not spending an excessive amount) and the venue is not inappropriate. We do not want to discourage your making appropriate business connections for the company.

- *The brokerage firm our division uses most wants to express appreciation for our efforts on their behalf by flying a group of insurance professionals to a resort for a weekend conference on the insurance market. The trip would be informative and include people from other companies. May I accept?*

Yes. You may attend the event, and accept travel and lodging, so long as the event complies with the guidelines for travel and lodging within the policy.

- *Every year, a company we often use for survey work sends me an extravagant gift for the holidays. I don't know how much it costs, but it is probably over the \$250 limit. How should I respond?*

According to ACE policy, you may not personally accept a gift exceeding \$250 in value. In addition, accepting gifts from ACE vendors may create a conflict of interest or the appearance of conflict that should be considered before accepting a gift of any value. You must contact the vendor and express your thanks for the gift, but explain that ACE policy requires you to return it.

- *My business unit would like to host a golf outing for current and potential business partners to strengthen, or build, our relationship with these companies. We would provide transportation and lodging to this recreational event and numerous ACE employees from business units throughout ACE would be invited as well. Is this allowed under the policy?*

Such an outing would be acceptable if it complies with all of the provisions of the policy. In addition, such an event should be included in a report to the Global Compliance & Business Ethics Officer.

- *A vendor used by ACE offered me a pair of tickets to attend a home game of the local football team. May I accept the tickets as entertainment?*

First, the tickets would not be considered entertainment under the policy because representatives of the vendor would not accompany you. The offer would, therefore, be subject to the \$250 limitation on gifts. Second, it is important to avoid even the appearance of impropriety in relationships with vendors, so you must consider whether the offer is appropriate in light of ACE policy. If the company's contract with the vendor was being re-bid, for example, it would be inappropriate to accept the tickets regardless of their value.

Unusual circumstances may require special consideration

ACE recognizes that unusual circumstances may arise that require special consideration. Ask your Compliance department representative or call the ACE Ethics Helpline for advice on how to apply these rules in specific circumstances.

Case Study

Jim's company is eager to extend its relationship with a particular client beyond property coverage. In a discussion with the client about a pending bid for other coverage, the client's representative tells Jim about a major sporting event the client is sponsoring, and suggests that Jim's bid would be looked at more favorably if his company purchases a block of tickets. Recognizing this as an invitation to an improper business inducement, Jim declines to purchase tickets and reports the conversation to his Compliance department representative.

Political Activities

While ACE encourages us to be informed voters, involved in the political process, we understand that our participation is a personal commitment—one that cannot be accomplished on the company's time or using its resources.

As employees, officers and directors of ACE, we understand that:

- We may not contribute company funds, property or services to any political candidate, party or committee without the prior approval of ACE's Government Affairs department
- We may not pressure or solicit other employees to make political contributions or participate in support of a political party or candidate
- When we do take part in political activities or speak out on public issues, we must not create the impression that we are speaking or acting on ACE's behalf, unless we are authorized in advance by the company's Government Affairs department
- Cooperating with or participating in political or economic boycotts is illegal in some countries and may be subject to civil and criminal penalties, so we must consult with ACE's Government Affairs department prior to participating in or supporting a boycott
- We must comply with all national, state and local laws regulating participation in political affairs—including those regulating contributions to political parties, national political committees and individual candidates
- We may not contact, and we may not authorize anyone else to contact, government personnel for the purpose of influencing legislation or regulations without the express, prior approval of ACE's Government Affairs department

Case Study

While visiting Philadelphia on business for his company, George attends a \$1,000-a-plate dinner in support of a politician running in the next election. While his meals are normally covered on these business trips, his dinner expense is rejected this time. When he inquires, George learns that, according to company policy, he is not allowed to use company funds to support a political candidate, and he must cover the dinner expense with his own funds.

Financial Reporting and Accounting

Accurate and timely financial and accounting records provide the core information critical to the effective management of our business and the fulfillment of our obligations to shareholders, government bodies and the public. At ACE, we comply with all financial reporting and accounting regulations, and we do not permit the integrity of our financial records or statements to be compromised in any way.

We understand that ACE is required to comply with numerous financial reporting and accounting regulations and to have appropriate internal controls and processes to ensure that accounting and financial information is accurately compiled and reported. ACE's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect ACE's transactions and must conform to applicable legal and accounting requirements.

Specifically, we comply with our obligation to file all reports required by the Securities and Exchange Commission of the United States (the SEC) accurately and promptly. Depending on our position with the company, we may be called upon to provide information necessary to ensure that our public reports are complete, fair and understandable. We take this responsibility seriously, and we provide prompt, complete and accurate answers to inquiries related to our public disclosure requirements.

We understand that we may not maintain unrecorded or "off the books" funds or assets unless permitted by applicable law and accounting principles. We may not assist others in falsifying the financial or accounting records of another company.

We always retain and destroy records according to ACE's record retention policies.

We understand that we are required to notify the company's Chief Financial Officer, Chief Accounting Officer, General Counsel or Global Compliance & Business Ethics Officer; the Chairman of the Audit Committee of the ACE Limited Board of Directors (at chmnaudit@ace.bm); or any director who serves on the Audit Committee of the Board if we have any questions about the integrity of ACE's financial records. The Audit Committee, subject to duties arising under applicable law, will treat such submissions as confidential.

We also understand that the company's financial information may be made available to those outside the company only with proper prior authorization, and only by those designated as official spokespeople for the company.

Fraud

Fraud—any deception undertaken to achieve unfair or unlawful gain for oneself or one’s company—is clearly dishonest and, in most cases, criminal. As employees, officers and directors of ACE, we understand how our company’s reputation can be hurt by dishonesty.

Our reputations and the reputation of ACE are critically important to our continued success. For that reason, we do not commit acts of fraud, including:

- Embezzling of ACE funds, including collecting premiums on behalf of ACE but not remitting them to ACE
- Misappropriating, misusing, destroying, removing or concealing ACE assets, including money, tangible property, intellectual property and trade secrets
- Misrepresenting any aspect of our background on our employment application or other documents we complete or submit in the process of obtaining employment with the company
- Making entries on company records, financial statements or tax documents that are not accurate or in accordance with proper accounting standards
- Making entries on insurance policy or claims documentation that are not accurate or in accordance with proper industry standards
- Unauthorized handling or reporting of insurance claims
- Altering or falsifying business documents
- Making false statements to insurance regulators or their agents
- Offering bribes or kickbacks to, or accepting bribes or kickbacks from, vendors, contractors or agents

We understand that a complete list of fraudulent activity goes well beyond the list above, to include any situation in which we behave dishonestly or contrary to the dictates of law or regulation. Many instances of fraud are also addressed in other sections of *Integrity First*, including money laundering, violations of anti-trust statutes, and bribery of government officials.

We understand as well that those who do engage in fraudulent activity will be subject to strict disciplinary action, including dismissal and possible civil and/or criminal action resulting in jail terms, severe fines and civil penalties.

Reporting Suspected Fraud

We acknowledge that we cannot make judgments about the appropriateness or legality of activities ourselves, and that we must direct to our Legal, Compliance or Audit department representatives all questions about possible fraudulent activity and the applicability of country, state or local law to our business.

We understand our obligation to report any questionable conduct or violation of the law. If we suspect improper conduct, we do not investigate further or take action ourselves, unless we are acting to prevent imminent damage (such as destruction of records, harm to ACE employees or damage to the company’s reputation). Instead, as soon as we are aware of conduct that may be improper, we follow one of these procedures:

- We notify our manager, unless our suspicions involve him or her
- We notify the director of Internal Audit or Compliance in the region
- We notify the ACE Fraud Investigations Team, part of the company's Internal Audit department
- We notify ACE's Chief Auditor or Global Compliance & Business Ethics Officer
- We notify the ACE Ethics Helpline (see Integrity First: The ACE Code of Conduct – How to Report a Violation)

Investigating Suspected Fraud

We understand that the Chief Auditor for the ACE Group is responsible for overseeing investigations by the ACE Fraud Investigations Team into possible fraud. We rely on the Fraud Investigations Team to ensure that all who come under investigation, regardless of position, title or relationship to ACE, are treated objectively and consistently, that all information gathered in the course of these investigations will be kept confidential, and that only those with a clear need to know will be privy to the information gathered.

We the employees, officers and directors of ACE cooperate fully with ongoing investigations of fraud by the ACE Fraud Investigations Team or its representatives and provide unrestricted access to all records. If we are contacted by external investigators, we refer them to our Legal department representatives immediately.

Case Study

Nikki travels regularly on business. Each time she travels, she adds a small amount to her expense report—not a great deal, but a dollar here or \$10 there on almost every report. When her expense reports are examined, the audit team finds that Nikki has claimed more than \$3,000 in items with no supporting documentation in the last year alone. Her seemingly harmless act, clearly fraudulent, results in her immediate dismissal from the company.

Case Study

Henry is a claims adjuster experiencing personal financial difficulties. When debt collectors start calling him at work, Henry decides to use his position as a claims adjuster to direct claims payments to himself, deposits the checks into his bank account and satisfies his debtors. A routine audit uncovers his activities, however, and Henry is dismissed from his job and prosecuted on criminal charges.

Anti-competitive Laws

As employees, officers and directors of ACE, we understand that anti-competitive, or antitrust, law is designed to guarantee competition that is vigorous and free from collusion, and we work to ensure that our actions do not place ACE in jeopardy.

Antitrust laws are very complex, and recognizing improper actions often depends on a complete understanding of the structure of the market in which a product is being sold^{*} and on a number of other factors. For this reason, we at ACE rely on consultation with our legal counsel whenever we feel our actions may violate anti-competitive laws or ACE policy. Those of us working in underwriting, sales and management—and those of us who participate in trade associations, industry standard-setting groups or other meetings involving competitors—must be especially diligent about the requirements of anti-competitive laws and regulations.

To guard against even the perception of unlawful conduct, we avoid:

- Gathering information from competitors or their representatives (e.g., pricing information, underwriting criteria, etc.)
- Any agreement, understanding or discussion with any competitor concerning
 - Prices or discounts
 - Terms or conditions of sale, including credit
 - Profits, profit margins or costs
 - Distribution practices
 - Bids or intent to bid
 - Sales territories or marketing efforts
 - Selection, classification, rejection or termination of customers or classes of customers
 - Exchange of competitive information (such as pricing matrices, rating methodologies, actuarial forecasting or reserving practices)
 - Service and finance charges
 - Agents' or brokers' commissions
 - Types of agents, brokers, applicants and insureds that are sought, used or avoided
 - Policy forms, terms or conditions, as well as certain financial data (such as underwriting gains or losses and loss, expense and combined ratios by line or in the aggregate)

We must also be aware that:

- No written or formal agreement need be shown in order to find a violation of the anti-competitive laws
- The law prohibits agreements, and it is not necessary that the agreeing parties carry out the terms of an agreement for a violation of the anti-competitive laws to occur
- While parallel business conduct is not itself unlawful, it may constitute evidence of an agreement.

^{*} The Block exception to the anti-competitive laws may afford additional protection to those operating in the Lloyd's marketplace. Employees should consult with the ACE European Group General Counsel prior to relying on this exception in their activities.

Meetings Involving Competitors

When preparing for and attending any meeting involving competitors, we must:

- Review the agenda in advance of every meeting with a sensitivity toward topics with anti-competitive implications such as “marketing practices” or “pricing”
- Encourage the organization to undertake only that business on the agenda, and to avoid discussions of sensitive topics not on the agenda
- Review the minutes after the meeting to ensure that they accurately report the actions taken at the meeting
- Consider anti-competitive risks in attending informal meetings at or around the time of the regular meeting
- Limit, as a general rule, discussions to insurance industry matters, and avoid discussing company-specific matters

Don't participate

If you are at a meeting where sensitive competitive issues are being discussed and where an antitrust exemption is not available, you *must* ask the group to cease discussing those matters. If the discussion continues, you must leave the meeting after requesting that your objection to the discussion and your departure are noted in the meeting records.

Restrictions on Trading ACE Securities

To ensure that our stakeholders have equal access to all material information about ACE, and to avoid any suggestion of insider trading at ACE, we employees, officers and directors willingly accept restrictions on our ability to trade in ACE securities.

The Purpose of this Policy

United States securities laws regulate the purchase and sale of securities in the interests of protecting the investing public. The laws are based in part on the belief that all persons trading in a company's securities should have equal access to all "material" information about that company.

In general, it is a violation of U.S. law for people to buy or sell securities while in possession of material, non-public information. In addition, it is illegal for people in possession of material, non-public information to share that information with others.

Because of the seriousness of the issues surrounding insider trading, we subject ourselves to restrictions on our ability to trade in ACE securities. These restrictions apply to:

- All employees, officers and directors of ACE, and members of our families and other persons living in the same household*
- Any other person or entity that owns ACE securities, if the securities are in fact beneficially owned or controlled by those listed above
- Any outsiders designated by the General Counsel of ACE Limited as having access to material non-public information concerning the company

We also understand that:

- This policy applies to any and all transactions (e.g., purchases, sales, transfers to a charitable foundation) in shares of ACE common stock, options to purchase shares of ACE common stock and any other types of securities the company may issue (such as preferred stock, convertible debentures or derivative securities)
- This policy applies to all ACE securities, however and wherever held (including securities held in personal brokerage accounts)
- This policy does not apply to transfers of stock between members of the same immediate family
- The policy continues to apply to us until the end of the first blackout period following termination of our employment or other relationship with the company

Restrictions During Certain Periods

"Blackout" Periods: We do not purchase or sell ACE securities during a blackout period, keyed to the preparation and announcement of the company's earnings results.

"Trading Freeze" Periods: In addition to blackout periods relating to earnings announcements, the company may impose a trading freeze in connection with significant unannounced corporate developments. Trading freezes will vary in length and scope.

* Nothing in this policy supersedes otherwise applicable restrictions on trading in securities imposed by the ACE Limited Board of Directors on the Board or on the Executive Officers of ACE Limited.

Pre-clearance requirements: All directors and employees Grade 34 or above, certain other specified individuals (as identified by the General Counsel of ACE Limited) and any other employees who carry the title of senior vice president or higher must at all times obtain pre-clearance before engaging in any transaction involving ACE securities. *The required pre-clearance form is available on ACE Connect.*

We each have a personal responsibility to ensure that we do not place an order to trade ACE securities during a blackout period or during a freeze period of which we have received notice. In addition, we are each responsible for determining whether we are subject to, and for complying with, any pre-clearance requirements prior to engaging in a securities transaction.

Other Restrictions on Transactions in ACE Securities

We adhere to these additional restrictions on transactions involving ACE securities:

- The purchase of ACE securities must be for the purpose of investment, not short-term speculation (such as day trading)
- Short selling of ACE securities is not permitted
- Purchases and sales of options (such as “puts” and “calls”) involving ACE securities are prohibited
- Trading in hybrid or derivative securities based on ACE securities, such as straddles, equity swaps or exchange funds (other than securities issued by the company) is prohibited
- Trading in securities of corporations doing business with the company while holding material, non-public information about such other party is prohibited (e.g., trading during a period when we know the company is negotiating with the other party on a significant transaction)
- The exercising of stock options—that is, the purchase of stock at a price predetermined by a stock option grant—is not subject to blackout or trading freeze restrictions or pre-clearance procedures, and can be effected at any time. The sale of the stock obtained under a stock option grant, however, is subject to such restrictions
- Gifts (other than gifts to family members), limit orders and margin calls are subject to the blackout and trading freeze restrictions and pre-clearance requirements
- The sale of ACE common shares to pay the tax liability arising upon the lapse of restrictions on restricted ACE common shares is not subject to the pre-clearance requirements

Insider Trading Is Unlawful

As employees, officers and directors of ACE, we will often receive information about the company’s plans, prospects, operations and operating results in the normal course of our duties. This information is an asset of the company that we must not use or disclose to others except through regular company channels that assure fair access to all persons interested in the prospects of the company and its securities.

While in the possession of material, non-public information about ACE, we employees, officers and directors may not:

- Purchase and/or sell the securities of any company (including ACE) to which the information is material
- Advise, “tip” or otherwise assist third parties in trading ACE securities or the securities of any other company affected by the information

This prohibition is in addition to the specific trading restrictions (e.g., blackout periods, trading freeze periods, pre-clearance requirements) described here.

This policy allows for the purchase and sale of stock according to the dictates of a Rule 10b5-1 plan.*

What is Non-Public Material Information?

“Material” information generally means:

- Information that is likely to affect the market price of ACE securities or the securities of any other company
- Information that an investor could consider significant in making a decision to buy, sell or hold ACE securities or the securities of any other company
- Information that, when publicly disclosed, would be expected to significantly alter the total mix of information about a company in the marketplace

We understand that what is material will be determined after the fact with the benefit of hindsight. We accept the fact that information remains “non-public” until it has been released to the public through appropriate channels *and* until investors have had enough time to absorb and evaluate the information.

We understand that all material information concerning the company must be disclosed *only* through regular company channels, so that all those interested in the company and its securities will have, as nearly as possible, fair and equal access to that information.

Civil and Criminal Penalties

We recognize that the seriousness of insider trading is reflected in the penalties that it carries, for individual directors, officers and employees, as well as for the company itself. We also understand that:

- The size of the trade is not relevant, and the SEC has prosecuted numerous cases involving relatively small amounts of money
- The SEC also has authority to seek a civil penalty of up to three times the amount of profit gained or loss avoided as a result of an individual’s insider trading, with “profit gained or loss avoided” defined as the difference between the purchase or sale price of the security and its value as measured by the trading information
- From the amounts imposed on violators as a penalty, the SEC is authorized to pay a bounty up to 10 percent to those who provided information leading to the imposition of the penalty
- In addition to the civil penalty, the SEC may seek other relief, such as an injunction against future violations and disgorgement of profits resulting from illegal trading
- Private parties may also bring actions against any person purchasing or selling a security while in the possession of material non-public information

As employees, officers and directors of ACE, we report violations or suspected violations of the prohibitions against insider trading to the company’s Global Compliance & Business Ethics Officer immediately. Upon learning of any such violation, the Global Compliance & Business Ethics Officer will determine whether the company should publicly release any material non-public

* A written contract, letter of instruction or plan in compliance with the provisions of subsection (c) of Rule 10b5-1 adopted by the SEC under Section 10 of the Securities Exchange Act of 1934, acceptable to the General Counsel of ACE Limited and on file with the Executive Services Director of ACE Limited.

information, or whether the company should report the violation to the appropriate governmental authority.

Avoid even the appearance of wrongdoing

While the rules and guidelines set forth here will assist in reducing the risk of legal violations, no policy is a substitute for good judgment. As employees, officers and directors of ACE, we avoid even the appearance of insider trading. If you have a question or concern about a transaction in ACE securities, ask the General Counsel of your business unit or region before trading.

When in doubt, consider all proprietary information material and non-public

In addition to information regarding the company that has not been publicly disclosed, non-public information that may be considered material can include confidential analyses, financial information, business data and plans and other information received from a third party with the expectation that it will be kept confidential and used solely for business purposes.

Ask for guidance if you have a question

Any question as to whether information in your possession is material or non-public must be discussed with the General Counsel for your business unit or region prior to any trade. This information is for general guidance, and it must not be taken as a substitute for advice about your individual situation. ACE employees must not make "close calls" about whether information is material. When in doubt, ask.

Prevention of Money Laundering

We at ACE commit to building an environment intolerant of “money laundering” and thwarting those who would involve ACE in their illegal activities.

In order to assist law-enforcement authorities in their efforts to apprehend criminals, to comply with local laws and to protect the company’s reputation, we understand our obligation to watch for the signs of money laundering, to report suspicious activity, and to foil those who would use ACE for these purposes.

Key Indicators of Money Laundering Schemes

We remain aware of the many kinds of transactions that suggest the possibility of money laundering:

- Instances where there does not appear to be a genuine business purpose for the transaction
 - For insureds, transactions outside the norm, perhaps involving payment of premiums in cash
 - For intermediaries, unusual patterns of presenting proposals, or many policies placed and then canceled together, with the premiums credited to a different account
- Policies purchased with cash and then cancelled quickly, with a request that the refund be sent to a third party
- Policies cancelled with a request to credit premiums to a different account or to send premiums to a third party, especially in a country known for money laundering
- Payment of claims to a third party without any apparent connection to the insured
- A customer based in countries where drug production or drug trafficking is prevalent, often introduced by an overseas broker, affiliate or other intermediary
- Overpayments of premium with a request to return funds to a third party, to a different account, or to a country known for money laundering
- Personal lines customers for whom identity checks prove difficult (*i.e.*, through OFAC screening)
- Personal lines customers who are evasive when asked for details
- Corporate clients who are reluctant to supply copies of accounts, documents of incorporation or other company documents
- Abnormal settlement instructions that include payments to apparently unconnected parties or to countries in which the insured is not known to operate
- Requests for ACE to accept cash or a check and then to submit the refund to a different account
- Recent change of ownership and/or assignment of policies immediately prior to a loss.

Questions to Ask

We understand that knowing our clients and understanding their business are the most critical steps in identifying and preventing money laundering schemes. Although it is more likely that attempts at money laundering will come from new customers, we understand that we may also be able to recognize suspicious activity as established customers change their routines. We analyze transactions by asking ourselves:

- Is the size of the transaction consistent with the normal activities of the customer or type of customer?
- Is the transaction rational in the context of the customer's business or personal activities?
- Has the pattern of transactions changed?
- For international transactions, does the customer have an obvious reason for conducting business with the other country involved?

Procedures for Employees

Recognizing that our failure to recognize and report suspicions of money laundering activities may violate local laws and damage ACE's reputation, we accept our duty to report suspicious transactions by:

- Immediately bringing the matter to the attention of supervisors
- Escalating concerns to the Internal Audit or Compliance department

The Internal Audit department, in conjunction with the Compliance and Law departments and all other appropriate groups within ACE, will conduct a thorough investigation and report the matter to the appropriate authorities if warranted.

If we suspect ACE employees of engaging in conduct that furthers money laundering, we use the same procedures. If we are uncomfortable discussing suspicions with supervisors, we understand our duty to raise those suspicions directly with the Compliance or Internal Audit department or to the ACE Ethics Helpline.

What is Money Laundering?

Money laundering is the process by which large amounts of "dirty" money—money obtained from illegal activities such as drug trafficking—is given the appearance of having originated from a legitimate source. Criminals try to move money into the mainstream quickly, which makes it more difficult for authorities to identify, and they are constantly seeking new ways to disguise illicitly obtained cash as legitimate.

Case Study

Ocean Cargo, a shipping company, purchases marine property and casualty insurance for the company's oceangoing cargo ships—at very high rates because of historically high losses. The company pays the premium twice, once by check through the broker involved in the placement of coverage and then a second time in cash delivered by members of company management. Almost immediately after the cash payment is made, the Ocean Cargo CEO contacts the insurance company and asks for a refund of the duplicate payment. When he specifies that the check covering the overpayment be issued to a third party in a country in which Ocean Cargo has no operations, the underwriter brings the request to the attention of her supervisor, who contacts their internal audit and legal groups.

Representatives of the insurance company turn the results of their investigation over to authorities, who eventually indict Ocean Cargo leadership for laundering money made in an illegal drug operation.

Foreign Corrupt Practices Act

At ACE we conduct our business throughout the world in accordance with the law. We, the employees, officers and directors of ACE, understand that the anti-bribery provisions of the Foreign Corrupt Practices Act apply even as we operate in foreign locales, and we avoid even the appearance of bribery in all our operations.

The Purpose of this Policy

The U.S. Foreign Corrupt Practices Act (FCPA) criminalizes payments to foreign officials anywhere in the world where the purpose is to influence an official decision to obtain a business benefit. All provisions of the FCPA apply to the directors, officers and employees of ACE, to its worldwide operations (including domestic and overseas subsidiaries) and to all third parties who conduct business on ACE's behalf.

As a general rule, it is a violation of the FCPA for a director, officer or employee of the company or any of its subsidiaries, or a third party acting on ACE's behalf to make, provide, offer or authorize any payment, gift of any kind or anything of value to a foreign official. Payments or the provision of gifts, made indirectly through a third party (such as agents, consultants, sales representatives, distributors or subcontractors) to foreign officials are also prohibited.

However, as a general rule, ACE policy allows certain types of payments to foreign officials:

- Gifts and entertainment given in good faith and without expectation of reciprocity, in connection with ACE's legitimate international marketing and sales activities. Gifts or entertainment must also comply with the limitations set forth in ACE's Business Gifts and Entertainment policy, part of Integrity First: The ACE Code of Conduct
- Reasonable, bona fide travel and lodging expenditures for a foreign official directly related to the promotion, demonstration, or explanation of the company's products or services, such as a site review
- Small payments permitted by local law and custom to expedite or secure the performance of routine services or action by foreign officials that the company is otherwise entitled to receive, such as customs clearance, immigration and work permits, and telephone and utility connection
- Payments specifically allowed in the written laws of the foreign country

The term "foreign official" means:

- Any officer or employee of a foreign government or any department, agency, or instrumentality thereof
- Any person acting in an official capacity on behalf of a foreign government or any department, agency, or instrumentality thereof
- Any officer or employee of a company or business owned in whole or in part by a foreign government
- Any officer or employee of a public international organization, such as the World Bank or the United Nations, any foreign political party, or any official of such an organization
- Any candidate for foreign political office

- The children, spouse or other close relatives of a foreign official

Examples of Activities that May Violate this Policy

We must be alert to any activities that may violate the FCPA. Among the circumstances that might give rise to a reasonable suspicion of a violation are:

- A transaction calling for a payment to be made to a party for services that the party appears to have no qualifications or capabilities to supply
- An agent offering to help an ACE company obtain government approval of a particular investment or transaction for a fee that seems excessive for the services to be rendered
- A party requesting that payment be made in cash, or to another party, or to a numbered account, or to a country other than the one in which the transaction will occur
- A fellow employee or supervisor indicating that a transaction should be characterized in corporate accounts or records in a manner that would conceal or distort the real terms of the transaction
- An agent or representative having family ties to, financial relationships with, or political allegiances to, a government or political party official with potential influence over a transaction in which ACE is engaged
- A fellow employee or supervisor suggesting that a transaction need not be authorized in the manner ordinarily applicable to transactions of the same type and value

Because the application of this policy to particular circumstances depends on the specific facts, we should consult with the Global Compliance & Business Ethics Officer or appropriate regional compliance officer with respect to any transaction in which there is any possibility that these anti-bribery provisions may apply.

Limited Exceptions

We are allowed to engage in the following activities if reviewed and approved in advance by the Global Compliance & Business Ethics Officer or appropriate regional compliance officer:

- Providing gifts and hospitality in good faith and without expectation of reciprocity, in connection with ACE's legitimate international marketing and sales activities and in compliance with ACE's Business Gifts and Entertainment policy, part of Integrity First: The ACE Code of Conduct
- Providing travel and lodging directly related to the promotion, demonstration or explanation of the company's products or services, such as a site review (no travel or lodging may be provided to the relatives of a foreign official)
- Making "facilitating payments" (small payments permitted by local law and custom to expedite or secure the performance of routine services or action that the company is otherwise entitled to receive)

Under no circumstances may any ACE officer, director or employee, or any third party who conducts business on ACE's behalf, promise, attempt to make or make any payment to a foreign official under one of the limited exceptions set forth above without obtaining prior approval. Requests for pre-approval of such activities are submitted to the Global Compliance & Business Ethics Officer or appropriate regional compliance officer using the Foreign Corrupt Practices Act Policy Pre-approval Form:

- Foreign Corrupt Practice Act Policy Pre-Approval (PDF to download, print, complete and submit on paper):

http://ussbyshp302/GlobalIntranet/ace_structure_sgroup_communications/General%20Document%20Library/Foreign%20Corrupt%20Practices%20Act%20Policy%20Pre-approval.pdf

- FCPA form (to complete on line and submit electronically to the Global Compliance mailbox): <http://home.aceins.com/AceMainRoot/ACE/policy/corporate/FCPA+Form.htm>

Third Parties

The FCPA prohibits payments to third parties, such as agents, consultants, lobbyists, distributors or sales representatives who make a payment to a foreign official in violation of the FCPA. This also includes parties with whom ACE has entered into a joint venture.

We comply with this policy by ensuring that all contracts with third parties contain a provision, where appropriate, stating that they are aware of the terms of the FCPA, that they will comply with the FCPA, and that with respect to their obligations under the contract, they will not cause ACE to be in violation of the FCPA.

Example: “[Third party] represents that it is familiar with the FCPA and its purposes and will comply in all respects with U.S. laws, regulations and administrative requirements applicable to [third party’s] relationship with ACE, including but not limited to the FCPA. [Third party] further represents that it will not take any action that would cause ACE to violate the FCPA.”

Due Diligence of Third Parties

The FCPA requires that we “know” third parties with whom we do business. Where possible, we will ensure that third parties with whom we do business are complying with the FCPA by conducting due diligence. In appropriate circumstances, we will make reasonable inquiry and document answers to the following questions:

- Who owns the third party? Who are its officers and employees?
- Is the third party able to handle its obligations under the contract?
- What is the reputation and expertise of the third party?
- Does the third party employ any government officials?
- Is the third party related to or affiliated with government officials?
- Is the proposed compensation to be paid in exchange for the services rendered or products delivered reasonable?
- Are the financial records of the third party accurate?
- Does the proposed arrangement violate local law?
- Does the third party have reputable references?
- Has the third party been involved in any prior bankruptcies, criminal investigations, antitrust violations or civil litigation?

Accurate Books and Records

We also meet FCPA standards regarding our accounting practices, books and records and internal controls. All payments and other activities made pursuant to this policy must be accurately recorded in ACE’s corporate books, records and accounts according to the procedures set forth in ACE’s Financial Reporting and Accounting policy, part of Integrity First: The ACE Code of Conduct, and in the ACE Group Accounting Policies and Procedures Manual, which provides guidance on this issue. False, misleading, incomplete, inaccurate or artificial entries in the books and records of ACE are strictly prohibited. Approval forms for the exceptions noted

above must be retained by appropriate personnel in accordance with ACE's record retention policy.

Compliance and Penalties

We recognize the seriousness of the FCPA, as the magnitude of the civil and criminal penalties it imposes on individuals and the company are severe. For civil violations, the company may be fined up to U.S. \$500,000 per violation and individuals may be fined up to U.S. \$100,000 per violation. For criminal violations, the company may be fined up to U.S. \$25 million per violation or twice the gross gain or loss, and individuals may be imprisoned for up to 20 years and fined up to U.S. \$5 million.

As employees, officers and directors of ACE, we immediately seek answers to questions about this policy, and report violations or suspected violations of this policy, to the Global Compliance & Business Ethics Officer, to the appropriate regional compliance officer, to the ACE Ethics Helpline or through e-mail to globalcompliance@ace-ina.com.

Restrictions on Trading with Certain Countries and Individuals

Jurisdictions in which we operate often impose legal restrictions against doing business with certain governments and individuals. We at ACE adhere strictly to these restrictions in our business dealings, both because of our commitment to comply with all laws and regulations that govern our operations, and because of our desire to protect our company's reputation.

ACE requires its employees to comply with all applicable laws and regulations pertaining to economic sanctions in all countries in which we have operations. We understand that the United States Treasury Department's Office of Foreign Assets Control (known as OFAC) administers and oversees a series of laws that impose economic sanctions against certain countries and individuals in order to further U.S. foreign policy and security objectives. These sanctions apply to U.S. entities, and to U.S. citizens and permanent residents wherever they are located. And, in some instances they also apply to non-United States companies that are owned or controlled by United States companies.

We acknowledge that ACE's U.S. companies and branches, ACE employees who are U.S. citizens or permanent residents (wherever located throughout the world) and all ACE personnel in the United States (whether citizens or not) must comply with any laws or regulations that impose restrictions on transactions with Burma (also known as Myanmar), Cuba, Iran, Liberia, North Korea, Syria, Sudan and any other OFAC-sanctioned country. We understand that these restrictions also apply to transactions where there is reason to believe one of these countries will ultimately be involved, or where goods or services originating in one of these countries are involved. We know that, in the case of Cuba and North Korea, the restrictions also apply beyond ACE's U.S. entities or employees to include entities that are owned or controlled by ACE's U.S. entities.

We understand that OFAC also maintains a list of entities and individuals on the "Specially Designated Nationals List" (referred to as the SDN list) with whom transactions are prohibited. We understand as well that non-U.S. ACE entities must often comply with these restrictions in order to protect the reputation of the company. We acknowledge that ACE's U.S. companies and ACE employees who are U.S. citizens or permanent residents cannot participate in or facilitate prohibited transactions involving these countries, even by referring business to non-U.S. ACE entities, and that they cannot change the procedures of non-U.S. ACE entities to allow such transactions to proceed without the participation of U.S. citizens or permanent residents.

In order to assure compliance with these laws (as well as restrictions that may be applicable in other jurisdictions):

- ACE entities should not engage in transactions involving the countries listed above, their citizens or residents, without first consulting with Legal or Compliance department representatives, and
- ACE employees should not engage in transactions with any individual or entity on the OFAC SDN list, regardless of whether trade with a particular country is permitted under the trade regulations. We understand that businesses may or may not be checked against the OFAC list automatically, and that we must consult with our compliance officer to determine what automated SDN and OFAC checks are in place. If no other procedure is available, we know we can check entities and individuals against the most current SDN list through the Bridger Insight Web site: <http://one.ace-ina.com/ofac>.

We recognize that there are some very limited exceptions to these trade restrictions, and we know that Global Compliance will provide ongoing guidance with respect to these exceptions as appropriate. We know we must consult with our compliance officer if we have any questions.

Reporting

We know that, in certain circumstances, violations of sanctions legislation requires reporting to the appropriate regulatory authorities and in some instances, transactions that have been entered into in violation of OFAC must be blocked or the assets frozen. We must report any and all suspected or actual violations to our legal or compliance officer immediately upon discovery.

Violations

We understand that criminal penalties for violations of these trade regulations include up to twenty years in prison and/or fines of up to \$1,000,000 per incident.

Proprietary and Confidential Information

ACE's business information is a valuable company asset that needs to be protected. As employees, officers and directors of ACE, we work to ensure the safety of the company's proprietary information.

We at ACE understand that we must:

- Maintain strict confidentiality of all company information under our control
- Avoid sharing confidential information with anyone—even a co-worker—who does not need to know.

We understand that confidential information can include:

- Written and oral agreements between the company and employees, agents, strategic partners or other third parties
- Company financial information
- Information about potential acquisitions
- Information about company investments or investment practices
- Producer compensation arrangements
- Personnel or employee information
- Non-public personal financial and medical information of customers, prospective customers, or policyholders
- Information received from third parties under obligations of confidentiality
- Customer lists and agreements, market share data, producer agreements and other files

We consult with our business unit or regional General Counsels before disclosing company information to those outside the company, even when there is a legitimate business purpose for the disclosure.

Case Study

During their annual cleanup, employees in the Payroll department discard duplicate copies of old printouts, some of which carry personal information such as salary and Social Security numbers. They use a large disposal bin requested for this purpose, but they are reprimanded because they are violating their company's confidentiality policy by disposing of the paperwork without ensuring that it is shredded or otherwise destroyed.

Case Study

A company attorney working on an acquisition takes a final draft of the agreement home with him to review. While on his commute home, he edits the document without taking appropriate precautions to shield the information from others on the train. While his actions will not be easily discovered unless someone on the train finds a way to profit from the information, the attorney is still in violation of his company's policy against sharing of proprietary data.

Accurate Communications

In all interactions and communications—with regulators, customers, government agencies and others inside and outside the company—we have an obligation to be truthful and forthright.

We understand that we hold the company's reputation for integrity in our hands every time we represent ACE, and that we must always:

- Make accurate statements, rather than statements intended to misrepresent, mislead or misinform
- Cooperate fully and promptly (in accordance with legal advice from the ACE Legal department) with any internal or external investigation of ACE business activities
- Respond promptly, accurately and fully to requests from governmental agencies for information or documents relating to ACE business activities

We also understand our obligation to report all requests for information from government agencies immediately to representatives of the company's Legal and Compliance departments. Those representatives will determine the appropriate response and give the necessary authorization prior to our providing documentation to outside parties.

Admitting Mistakes Is the Next Best Thing to Not Making Them in the First Place

The cover-up is often worse than the deed. We have all seen recent examples of this: Government officials and leaders of publicly held companies trying, but failing, to cover up mistakes and eventually being punished—not for what turns out to be a relatively minor infraction, but for the cover-up itself.

It is entirely possible that, while operating in good faith in accordance with our current understanding of existing laws and regulations, we can inadvertently do something in the name of the company that will later be interpreted as inappropriate. More harm will be done to ACE's reputation if we try to mislead investigators or cover up what we've done than if we present the facts fully and honestly, as soon as we are approached with questions. Call your General Counsel or Legal department representative for additional guidance if you are contacted by a government official conducting any kind of investigation.

Public Statements

Because our company's reputation is so valuable, we at ACE understand that we may not represent the company to the public without the express consent and support from our Communications department representatives.

At ACE, we understand that the members of ACE's Global Communications department and their colleagues in regional and country Communications departments around the company are responsible for managing all public statements on behalf of ACE—including written and oral comments given to the media, analysts, government officials, shareholders or audiences at conferences and seminars, or posted on the Internet. We also understand that:

- We may not make any public statements without involving the Communications department
- We must obtain approval from the Communications department for all statements intended for the public
- We must abide by the Communications department's decision about whether to make a public statement on behalf of the company at all

We understand that the leaders of our business units are responsible for working with the Communications department to approve public statements and to review opportunities for publicity and assess their risks. We also understand that senior business leaders within the company are empowered to make public statements without the necessity of prior approval. A list of such senior business leaders is maintained by the Global Communications department.

Even when we are permitted to make public statements on behalf of the company, we never:

- Speculate on changes in the company's stock price, future earnings or financial position
- Comment on rumors about a merger, acquisition, or other significant business event
- Discuss rumors about management changes
- Disclose proprietary information about new products, policies, or strategies

Internet Postings, Chat Rooms and Blogs

In today's electronic age, posting information on Internet bulletin boards or even communicating in chat rooms is equivalent to speaking to the media. We at ACE understand that we may not use these forums to discuss matters or opinions related to the company or any of its industries, or to respond to comments about the company. When we see postings that may be of concern, we must bring them to the attention of our Legal, Compliance or Communications department representatives.

Case Study

Peter knows his company is planning to sell one of its subsidiaries. When his supervisor tells him the deal will be completed the next morning, Peter mentions the news to a friend outside his company, who relays it to his spouse—an attorney for the company purchasing the subsidiary. Representatives of that company accuse the leaders of Peter's company of violating the confidentiality agreement between them. By violating his company's policy against unauthorized public statements, Peter has jeopardized his company's financial well-being and reputation.

Electronic Communications and Data Security

ACE encourages use of technology resources—such as telephones, computers, networks, software—in creative and innovative ways, provided that such use benefits ACE and does not involve personal gain or activities contrary to ACE policies.

As employees, officers and directors of ACE, we understand the value—and the cost—of the technology resources the company makes available to us. ACE bears great expense to make the technology infrastructure available to us, and we owe the company our commitment to use that infrastructure for the company's benefit only.

We understand that all the communications data we create, send, receive and store using ACE systems are the property of ACE, as are all communications hardware and software, such as computers, servers and shared drives, office productivity software and e-mail.

When using technology, we must:

- Be aware of the value of the information we are working with and the risks we may be exposing it to
- Follow all policies relating to our handling and accessing company information
- Safeguard information against unauthorized disclosure, use, access, modification and destruction
- Use technology as defined in the ACE Data Security Guidelines and associated policies
- Use only our own systems ID and passwords to access systems
- Ensure the security of our IDs, passwords and personal identification numbers (PINs)
- Ensure that our computers are inaccessible to others when we leave our work areas
- Stay within the limitations of system and data access rights we have been assigned, and make no attempt to breach or bypass these limitations
- Notify systems support staff when our access needs change, to allow them to change our access rights to reflect those needs
- Use only software licensed by ACE, and comply with the terms of the licensing agreements

When using technology, we must *not*:

- Install any software or hardware unless authorized to do so
- Circumvent protective measures (e.g., anti-virus software, passwords, encryption systems)
- Intentionally develop software that may damage or alter hardware, software or information
- Play online or computer-based games
- Connect any device not approved by the local IT Security Officer to, or synchronize such devices with, the ACE network

Using ACE Messaging Systems

The company's electronic messaging systems—including electronic mail, voice mail, instant messaging, paging, electronic forums, and facsimile—help us fulfill our responsibility to share information within the company and between us and our company's stakeholders. We understand that:

- Electronic communications ultimately may not be private or confidential, despite best efforts to keep them so
- Messages may be reviewed without notice by ACE management
- Electronic messages are kept for some period of time even after they have been deleted by the sender or the recipient, and the company may be required to submit messages in storage to adversaries or public authorities in response to arbitration, litigation or investigation
- We must review our e-mail messages regularly and delete redundant or expired items when they are no longer needed or required for compliance or legal purposes
- We must treat every e-mail as if it contains confidential information
- When using ACE messaging systems, we must not:
 - Transmit confidential or proprietary information that could aid a competitor or harm ACE, without employing additional confidentiality controls
 - Forward e-mail chain letters
 - Advance individual views on non-business issues
 - Send mass mailings of messages inside or outside the company except for an approved business purpose
 - Send messages related to sex, illegal drugs, criminal skills, hate speech, gambling or any illegal or unethical activity

Appropriate Use of the Internet

All connections between the ACE corporate network and the Internet present opportunities for those outside ACE to attempt to access corporate systems and information. Because these connections must be kept secure, and because personal messages, web surfing for personal reasons and registering on non-business-related sites increase the possibility of unauthorized access, we understand our obligation to use the Internet for business purposes only.

When using the Internet, we must:

- Connect to and view information for business purposes only
- Respect and comply with local, state, national and international legal protection required for trade secrets, patents, copyrights and trademarks relating to any information viewed or obtained through the internet

When using the Internet, we must *not*:

- Connect to Internet sites related to sex, illegal drugs, criminal skills, hate speech, on-line gambling, sports, entertainment, music and video, on-line merchandising or job search
- Download or install software, music or video content unless approved by the local IT group

Protection and Use of Mobile Devices

Mobile devices—portable computers (such as laptops), Blackberry devices, personal digital assistants (PDAs, such as the Palm Pilot), computers at home, pagers, cellular phones, zip disks, diskettes, magnetic tapes, *etc.*—are enormous productivity tools, but they may carry confidential data, and they are designed to allow access to ACE data from outside the secure confines of ACE facilities.

We understand that the use of these devices is a privilege, and we further understand that, when using remote devices, we must:

- Physically secure such devices to prevent theft and loss when we take them outside ACE facilities or when we leave them unattended in ACE offices
- Always use ID and password combinations to protect ACE data
- Report any loss or theft immediately to our Data Security Officer
- Use only ACE-approved devices for remote access to systems and services

Limited Personal Use of ACE Systems

We understand that we are allowed to use the company's technology resources for personal communications on an occasional basis—such as communicating a change in work schedule or coordinating child care with a family member—provided such use does not:

- Involve significant use of the company's resources, including work time, computer time or bandwidth
- Pre-empt business activities or interfere with productivity
- Violate other established ACE policies

We understand further that ACE, as far as possible in accordance with local laws, reserves the right to filter, monitor or quarantine content accessed through the Internet, messaging systems or other electronic media, and that we can assume no right to privacy regarding any communication using ACE systems. We acknowledge the company's right to control access to these systems and to monitor all communications, including our use of the Internet. If such monitoring reveals evidence of possible criminal activity, we should expect ACE to provide the evidence to law enforcement officials.

E-mail Etiquette

E-mail is a very popular form of communication because it is fast, easy-to-use and informal. But we at ACE understand that these qualities also create problems for users because informality can easily slip into inappropriateness, and because this seemingly private medium is easily made public.

Accordingly, we understand that we must:

- Inform with the subject line, because we can improve productivity by informing recipients about the subject of the message, the actions they will be required to take, and the deadline for their response
- Avoid jokes and sarcasm, because a sarcastic remark we would be able to make over the phone may be interpreted very differently in e-mail
- Re-read before sending—and not just to catch errors, but to ensure that our messages are simple, clear and direct
- Never draw conclusions about the morality, legality, liability or coverage implications of a practice unless counsel has reviewed and approved the content
- Never use e-mail to express our anger, to explain how much we know about a problem or to protect ourselves from blame, because e-mail messages written for these purposes portray issues in the worst possible light, and are therefore easily misinterpreted
- Discuss sensitive topics by phone or in person, and reserve e-mail correspondence for recording of the final agreement about issues
- Limit use of the ACE e-mail system for personal correspondence—and remember that anything we put on ACE systems is subject to monitoring by the company

- Send e-mail only to those who truly need to know what we have to say, and use “Reply to All” only when absolutely necessary
- When forwarding e-mail, delete attachments unless they are absolutely necessary
- Think twice before forwarding sensitive e-mail—or better yet, ask the author for permission to widen the audience for confidential or sensitive material

Case Study

Roger knows that his company permits only approved software on his computer, but he really likes the weather update feature one of the local news companies makes available. He can't imagine it will be a problem, so he installs it on his computer. The next morning, his computer is running very slowly, and eventually the whole network crashes because of a virus the weather program picked up during one of its regular connections to the Internet. Roger's violation of company policy costs his company many hours of lost work time for everyone on his server.

Case Study

Anna's friends regularly send humorous stories to her work e-mail address. Anna enjoys these, and she shares them with everyone she knows by sending mass mailings to a distribution group she has set up on her computer. The systems support team singles her out because she is using far more electronic storage space than her colleagues—at great cost to the company—and they arrange for all messages from the addresses her friends use to be blocked in the future.

Case Study

A trainer conducting a class on e-mail effectiveness pulls an e-mail at random and opens it for the class to see. Unfortunately, the e-mail, between an employee and someone he knows outside the company, is very personal—dealing with matters sexual between the two—and the employee is terminated. The employee sues for invasion of privacy, but an appeals court rules that the employee had no reasonable expectation of privacy on a company-provided e-mail system.

How to Report a Violation:

As employees, officers and directors of ACE, we understand our obligation to report violations or possible violations of the ACE Code of Conduct immediately.

To fulfill our obligation to an ethical environment at ACE, we know we can:

- Speak with our supervisor, or with a Human Resources, Legal, Compliance or Audit department representative
- Contact the ACE Global Compliance & Business Ethics Officer
- Call the ACE Ethics Helpline, a confidential service available 24 hours a day, 7 days a week, following the instructions below.

To call the ACE Ethics Helpline:

The ACE Ethics Helpline is a free, confidential service you can call 24 hours a day if you have questions or concerns about ethics or integrity at ACE.

In the United States, the toll-free number is 1-800-381-5718. To dial this number from other countries:

1. Make sure the phone you are using allows international dialing.
2. Enter the AT&T access number listed on the next page for your country. (In some countries, you may be required to pay a minimum charge for local calls to the access number.)
3. When you hear a voice message or a series of tones, enter the ACE Ethics Helpline number: 800-381-5718. (Do not use "1" or "0" before the number.)

If your country is not listed, you may call the ACE Ethics Hotline by dialing +1 704-556-7046 and reversing the charges (calling collect).

Argentina		0-800-555-4288
Australia	Telstra	1-800-881-011
	Optus	1-800-551-155
Austria		0-800-200-288
Bahrain	From land lines	800-000-01
	From cellular phones	800-000-00
Belgium		0-800-100-10
Bermuda		1-800-827-2881
Brazil		0-800-890-0288 or 0-800-888-8288
Canada		1-800-225-5288
Chile		800-225-288 or 800-360-311
China (PRC)	Beijing	108-888
	Shanghai	10811
Colombia		01-800-911-0010
Denmark		800-100-10
Ecuador		1-999-119 or 1-800-225-528
Egypt	Cairo	510-0200

	Other	02-510-0200
Finland		0-800-11-0015
France		0-800-99-0011
Germany		0-800-225-5288
Gibraltar		8800
Greece		00-800-1311
Guam		1-800-225-5288
Guatemala	Guatemala City	999-9190
	Other	138-126
Hong Kong		800-96-1111 or 800-93-2266
India		000-117
Indonesia		001-801-10
Ireland		1-800-550-000
Italy		800-172-444
Japan		00-539-111 (KDDI) 00-665-5111 (Softbank Telecom) 00-441-1111 (Softbank Telecom)
Korea		00-729-11 or 00-309-11
Macau		0-800-111
Malaysia		1-800-80-0011
Mexico		01-800-288-2872 or 001-800-462-4240
Netherlands		0800-022-9111
New Zealand		000-911
Norway		800-190-11
Pakistan		00-800-01-001
Peru		0-800-50-288/0-800-70-088 (English) 0-800-50-000 (Spanish)
Philippines		105-11
Poland		0-0-800-111-1111
Puerto Rico		1-800-225-5288
Russia		755-5042
Saudi Arabia		1-800-10
Singapore		800-011-1111 or 800-001-0001
South Africa		0-800-99-0123
Spain		900-99-0011
Sweden		020-799-111
Switzerland		0-800-89-0011
Taiwan		00-801-102-880
Thailand		001-999-111-11 or 1-800-001-33
United Kingdom		0500-89-0011 or 0800-89-0011
Vietnam		1-201-0288
Venezuela		0-800-225-5288