

ARTHUR J. GALLAGHER & CO.
**Policy on Compliance with International Anti-Bribery
Laws**

GENERAL POLICY

We are committed to compliance with all anti-bribery laws affecting our international operations. These laws include, but are not limited to, the U.S. Foreign Corrupt Practices Act (the FCPA), the UK Bribery Act 2010 (the Bribery Act) and laws enacted by other countries in accordance with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

It is our policy that no employee, officer or director of Arthur J. Gallagher & Co. or any of its subsidiaries or affiliates may accept, offer, promise, authorize or provide bribes, kickbacks, other illegal payments or similar favors to or from anyone, whether government officials or individuals employed in the private sector. In addition, all of our expenses must be accurately recorded in our books and records, and supported by accurate documentation and invoices that clearly reflect the true nature of all transactions.

Agents, consultants, business partners and other representatives that act on our behalf must also comply with these same laws and practices.

CONSEQUENCES OF NON-COMPLIANCE

Failure to comply with anti-bribery laws could have significant negative consequences for Gallagher as well as you personally. Violating the FCPA can result in millions of dollars in fines against Gallagher and can subject you to prosecution, criminal fines, and imprisonment (up to 5 years for violating the anti-bribery provisions, and up to 20 years for violating the accounting standards). Violations of the Bribery Act and other anti-bribery laws can also result in millions of dollars in fines against Gallagher, and prosecutions, fines and imprisonment for individuals. Any fines imposed upon you under the FCPA or Bribery Act cannot be paid on your behalf by Gallagher. Violations of this policy can result in disciplinary action by Gallagher, including termination of your employment.

COMPLIANCE MANUAL

Gallagher's *International Anti-Bribery Compliance Manual* (the *Compliance Manual*) provides specific guidance on the implementation and enforcement of this policy. The *Compliance Manual* is available on Gallagher One. Consult the *Compliance Manual* if you are involved in international business dealings or any activities that fall within the scope of this policy.

LEGAL REQUIREMENTS

Anti-bribery laws, including the FCPA and the Bribery Act, prohibit Gallagher, as well as our officers, directors, employees, agents, and others acting on our behalf, from offering, promising, authorizing, or providing anything of value to a foreign official, in order to assist in obtaining or retaining business for or with, or directing business to, any business or person. Anti-bribery laws also impose accounting and record-keeping

requirements on Gallagher. All financial accounting books and records must be kept accurately, and all expenses and other payments must be accurately recorded and fairly describe their purpose. In addition, these accounts must be evidenced by accurate and complete documentation.

- The term “*foreign official*” generally includes officers and employees of government agencies and institutions, as well as officers and employees of state-owned or controlled commercial enterprises, persons representing the government in an official capacity, candidates for political office, political parties and political party officials, and officers and employees of public international organizations (such as the World Bank or the UN). The definition of “foreign official” under anti-bribery laws is much broader than most people would expect. If you have any doubt about whether an individual might qualify as a foreign official under these laws, contact the Compliance Office for advice.
- Anything of value will be considered a “*bribe*” or improper payment, if provided for the improper purposes prohibited by international anti-bribery laws. In addition to payments of money, these can include, among other things, benefits such as travel, entertainment, scholarships, vehicles, property, shoes, watches, electronics, office furniture, stock and share of profits, forgoing a lawful claim against a party, and advantages provided to third parties.
- Enforcement authorities cast a wide net when determining whether a payment was made for the purpose of “*obtaining or retaining business.*” Beyond the prototypical payment to win a contract award, other prohibited purposes can include, among others, payments to obtain favorable treatment in pending court cases, to obtain product delivery certificates, to obtain preferential customs treatment, to schedule, avoid or expedite necessary inspections, to obtain governmental reports and certifications necessary to market a product, and to reduce taxes.

Commercial or business-to-business bribery not involving a foreign official (which is prohibited by the Bribery Act, various U.S. laws and our *Global Standards of Business Conduct*) also violates the FCPA's accounting standards if not accurately recorded in a company's books and records. To ensure compliance with all applicable laws and our *Global Standards of Business Conduct*, this policy also prohibits offering, promising, authorizing, or providing anything of value to any person (whether or not a government official) that could be perceived as improperly influencing the recipient's behavior. We must also not request, agree to receive, or receive anything of value from any person that could be perceived as improperly influencing our behavior.

GUIDELINES FOR COMPLIANCE

Indirect Payments and Benefits

Direct payments to government officials and other outside parties are not the only activities that can subject Gallagher to risk. Providing indirect payments or benefits can also subject Gallagher to risk. Indirect benefits may include, for example, charitable contributions to such person's favorite charity, political contributions, or providing benefits to such person's family member. Given the complexity of the legal requirements, those in a position to provide gifts or other benefits to government officials or other outside parties must familiarize themselves with and follow the *Compliance Manual* and contact the Compliance Office for advice if there is any uncertainty about a particular situation.

Due Diligence on Outside Parties

The requirements of the FCPA, the UK Bribery Act and other anti-bribery laws apply not only to Gallagher employees, but also to any person who may be acting on Gallagher's behalf. These outside parties may include, among others, introducers, consultants, contractors, agents, lawyers, tax advisors, co-brokers, correspondents, joint venture partners or other business partners. In addition, Gallagher could be subject to successor liability for violations of anti-bribery laws by acquisition targets that occur before Gallagher acquires them.

Therefore, to minimize the risk that outside parties engage in activities that could create liability for Gallagher, any outside parties with whom you do business must be carefully vetted and regularly reviewed in accordance with the due diligence procedures described in the *Compliance Manual*.

Lawful Payments and Reasonable Business Expenses

The FCPA generally allows (i) payments that are expressly permitted by the written laws of the relevant country (in practice, an extremely narrow category) and (ii) payments that constitute reasonable and *bona fide* expenses incurred for or on behalf of a foreign official directly related to the promotion, demonstration, or explanation of products or services or the execution or performance of a contract with a foreign government or agency. The Bribery Act does not explicitly allow payments for reasonable and *bona fide* expenses, instead giving UK enforcement authorities broad discretion to determine whether benefits were given with the intent to influence the recipient to act improperly or, in the case of benefits provided to foreign officials, when there is no local law permitting the benefits and there is reason to believe they were given to influence the judgment or conduct of the official.

While clearly modest corporate entertainment and gifts should be permissible under these standards, and clearly lavish expenses will not be, it is difficult to draw a line between the two on a case-by-case basis. In addition to the general guidelines set forth in our *Global Standards of Business Conduct*, the *Compliance Manual* contains specific guidance regarding permissible expenses for corporate entertainment and gifts involving foreign officials. Familiarize yourself with this guidance if you are in a position to provide corporate entertainment and gifts or otherwise incur business expenses in connection with dealings with government officials or other outside parties.

Facilitating or “Grease” Payments

Gallagher prohibits facilitating payments, also known as “expediting” or “grease” payments. Government employees in some countries solicit such payments in exchange for speeding up or securing the performance of routine action. These payments violate the Bribery Act and the laws of many other countries. In extreme circumstances in which concerns over one’s personal safety were to require the making of a facilitating payment for protection, the payment should be reported to Gallagher’s General Counsel as soon as possible. Failure to report any such payment is a violation of this policy.

A facilitating payment can be the basis for a criminal violation (leading to millions of dollars in fines against Gallagher and up to 20 years in prison and fines for the individuals involved), if knowingly accounted for in a misleading way in the company’s books and records.

We provide ongoing anti-bribery education and training to our employees across the globe. Employees located in the UK receive training that is tailored to the requirements of the UK Bribery Act. Employees located in Latin America receive Spanish language anti-bribery training. We actively monitor completion of required training and follow up on late or incomplete assignments. Details of these programs can be found in the [Compliance Manual](#).

REPORTING PROBLEMS

Speak up if you become aware of any offer, demand or solicitation for a bribe, kickback, improper payment, or other transaction that might give rise to a violation of this policy, the FCPA, the Bribery Act, or any applicable anti-bribery laws and regulations. Speak up even if you are not sure of what happened or if the amounts involve seem insignificant to you. Speak up regardless of who you believe was involved in the wrongdoing, whether it was an employee or representative of Gallagher, or a third party seeking to bribe someone at Gallagher. Immediately report the situation to the Global Chief Compliance Officer or call our Ethics Hotline at (888) 878-6236 in the US, or (770) 582-5298 outside of the US. Your report will be treated with discretion and respect for confidentiality. Gallagher will not retaliate or take any adverse action against you for making such a report in good faith. However, your failure to report known or suspected wrongdoing of which you have knowledge may, by itself, subject you to disciplinary action (including termination of employment).

FURTHER INFORMATION

Contact Gallagher’s Global Chief Compliance Officer, Cara Zemenak, if you have any questions regarding this policy, the Compliance Manual, or if you need guidance on any issue relating to our Anti-Bribery compliance program. Email: cara_zemenak@ajg.com; Phone: (630) 438-1613.

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