



# NATIONAL AUSTRALIA BANK LIMITED

## Group Anti-Bribery and Corruption Policy

### Policy Governance Schedule

<b>Approval date</b>	June 2020
<b>Next approval date</b>	June 2021
<b>Policy Owner</b>	Chief Financial Crime Risk Officer and Group MLRO
<b>Division</b>	Group Compliance
<b>Approval Authority</b>	Group Chief Risk Officer

## 1. PURPOSE AND SCOPE

- 1.1 This Policy and its supporting documents specify the mandatory requirements across National Australia Bank Limited (NAB), its controlled entities (the Group) and associated parties to comply with applicable legal and regulatory obligations in relation to bribery and corruption.
- 1.2 The scope of this Policy is focused on corruption in the form of Bribery.
- 1.3 This Policy applies across the Group, including entities and employees, as well as to all agents, contractors and other Third Parties acting on behalf of the Group.

## 2. POLICY PRINCIPLES

- 2.1 The Policy reflects the Group's commitment to:
  - 2.1.1 Acting honestly, with integrity and upholding the highest ethical standards in all Group activities.
  - 2.1.2 Zero tolerance for Bribery or corrupting payments in any form.
  - 2.1.3 Complying with applicable anti-bribery and corruption laws in all jurisdictions in which the Group operates.
- 2.2 Bribery is a serious offence and can result in criminal and civil penalties for any person or entity involved in such an offence.
- 2.3 Bribery is strictly prohibited in any form, whether directly by the Group or indirectly through a Third Party acting for or on behalf of the Group. This prohibition covers the offering, promising, giving, accepting or requesting of Bribes by NAB Persons.
- 2.4 Bribes are prohibited when dealing with any person whether they are in the public or private sector.
- 2.5 All employees are required to comply with NAB's [Code of Conduct](#)<sup>1</sup> and to raise any concerns related to breaches of this Policy to a People Leader, Risk partner or NAB's independent whistleblower hotline (via [Faircall](#)).

## 3. ROLES AND RESPONSIBILITIES

- 3.1 All NAB Persons **must** comply with this Policy. Failure to do so may lead to disciplinary, action including termination of employment or contracts and civil and/or criminal penalties.
- 3.2 Business Leaders are accountable for implementing this Policy within their Division, managing any identified non-compliance in a timely manner and maintaining documentary evidence of implementation and compliance with policy.
- 3.3 Divisional accountabilities for the NAB Group Entities' obligations are reflected in the Accountability Statements prepared in compliance with the Banking Executive Accountability Regime.

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<sup>1</sup> If you work for BNZ, the [BNZ Code of Conduct](#), procedures and guidelines

## 4. POLICY REQUIREMENTS

### Prohibition of Bribery

- 4.1 NAB Persons **must not** offer, promise, give, accept or request cash or cash equivalents (e.g. gift cards, gift certificates, personal or bank cheques) or Any Other Benefit to or from any person (whether a Government Official or a private individual or entity), to improperly obtain or retain business, secure an improper advantage, influence them to act improperly or for any other improper purpose. This prohibition includes:
- Any improper advantage provided to a close family member or other closely connected person of the person being influenced.
  - The person being influenced need not directly receive the cash, cash equivalent or Any Other Benefit, and can be unrelated to the person receiving the cash, cash equivalent or Any Other Benefit.
  - The policy requirements set out below regarding:
    - 4.1.1 Sponsorships, Political and Charitable Donations;
    - 4.1.2 Dealing with Government Officials; and
    - 4.1.3 Employment
- 4.2 NAB Persons **must not** use or allow a Third Party to Bribe on behalf of the Group.
- 4.3 NAB Persons **must not** authorise or otherwise knowingly facilitate Bribery.
- 4.4 Facilitation Payments **must not** be made by NAB Persons.
- 4.5 The falsification of any book, record or account of the Group or any related documentation to conceal Bribery is a criminal offence and is prohibited by law and this Policy.

### Periodic risk based review

- 4.6 At least every two years, the Policy Owner **must** conduct a risk assessment of the nature and extent of the Bribery risks to which the Group is exposed and evaluate the suitability and effectiveness of the controls designed to mitigate those risks.
- 4.7 The Bribery risk assessment **must** be reviewed and updated by the Policy Owner in the event of a significant change to the structure or activities of the Group.
- 4.8 The Policy Owner **must** retain documented information that demonstrates that the Bribery risk assessment has been conducted and used to design or improve the Anti-Bribery and Corruption Policy framework.

### Use of Third Parties, Agents and Other Business Partners

- 4.9 Business Leaders **must** undertake risk-based due diligence of Third Parties in accordance with the Third Party Financial Crime Due Diligence Standard.
- 4.10 The Third Party relationship or transaction **must not** proceed if Bribery risks identified in due diligence cannot be satisfactorily resolved or mitigated.
- 4.11 Contractual arrangements with Third Parties **must** include such anti-bribery provisions as appropriate, which may vary depending on the level of bribery risk posed by the engagement identified under section 4.9.
- 4.12 Business Leaders **must** notify the Policy Owner within two business days of discovery that a Third Party has been identified as known or suspected to have committed Bribery. This

obligation covers known or suspected Bribery regardless of whether it relates to NAB or otherwise. If it relates to NAB, the Business Leader **must** also comply with 4.24.

- 4.13 Business Leaders **must** provide a documented risk assessment and rationale to the Policy Owner if they wish to enter or maintain a relationship with a Third Party identified as known or suspected to have committed Bribery. If Business Leaders wish to exit the relationship with a Third Party identified as known or suspected to have committed Bribery, they **must** provide notice to the Policy Owner and **must** exit the relationship on an urgent basis.

### Sponsorships, Political and Charitable Donations

- 4.14 NAB's prohibition against Bribery in parts 4.1 to 4.5 includes a prohibition that NAB Persons **must not** provide a charitable donation or sponsorship that constitutes Bribery.
- 4.15 Political donations **must not** be made by or on behalf of NAB in accordance with the [Group Political Donations Policy](#).
- 4.16 Business Leaders **must** comply with the requirements of the Group Not for Profit Engagement Standard Operating Procedure and NAB Group Sponsorship Guidelines.
- 4.17 Business Leaders **must** undertake and document risk-based due diligence review of the beneficiary of any sponsorship initiative or charitable donation before entering the relationship and provide the same to the Policy Owner upon request.
- 4.18 Risk-based due diligence of sponsorship initiatives or charitable donations **must** be in accordance with the Third Party Financial Crime Due Diligence Standard.

### Dealing with Government Officials

- 4.19 NAB's prohibition against Bribery in parts 4.1 to 4.5 includes a prohibition that NAB Persons **must not** provide money or Any Other Benefit, no matter how small, to any Government Official, either directly or via a third party, to improperly influence them in their official capacity.
- 4.20 NAB Persons **must** comply with reporting and approval processes for the provision or receipt of gifts or entertainment as set out in the Group Gifts and Entertainment Policy.
- 4.21 In accordance with the Group Gifts and Entertainment Policy, employees **must** obtain approval of their People Leader before they offer or accept any gift or entertainment, regardless of the value, to or from a Government Official, unless otherwise prohibited. The details **must** be recorded in the Gifts and Entertainment and Personal Conflicts Register.

### Employment

- 4.22 NAB's prohibition against Bribery in parts 4.1 to 4.5 includes that a NAB Person **must not** offer or provide employment opportunities, whether paid or unpaid, permanent or temporary, as an inducement to anyone to act improperly to obtain or retain an advantage in business.
- 4.23 Due diligence into the bribery risk associated with employing a person **must** be completed prior to prospective employees commencing employment, including graduate or vocational placements in accordance with the Probity Policy<sup>2</sup>.

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<sup>2</sup> Or regional equivalent probity requirements.

## Internal and Confidential Reporting

- 4.24 NAB Persons **must** take immediate steps to raise any concerns regarding non-compliance with this Policy to a People Leader, Risk partner or NAB's independent whistleblower hotline (via [Faircall](#)) in accordance with the [Group Whistleblower Program](#).

## Investigating and Dealing with Bribery

- 4.25 The Technology and Enterprise Operations Division<sup>3</sup> **must** establish and maintain effective processes and procedures with sufficient resources for responding to, investigating and documenting potential breaches of the Policy's prohibition of Bribery in paragraphs 4.1 to 4.5 of this Policy.
- 4.26 All suspected or actual Bribery or breaches of paragraphs 4.1 to 4.5 of this Policy involving a NAB Person **must** be investigated.
- 4.27 NAB Persons **must** cooperate with any internal investigation into breaches of this Policy and relevant information **must** be made available to the appropriate internal investigations team for the purposes of conducting a thorough investigation.
- 4.28 Bribery related breaches of this Policy (including those involving employees) **must** be reported to the relevant law enforcement and regulatory authorities if there is sufficient evidence to indicate that a bribery law may have been breached.
- 4.29 The Group **must** cooperate with any external law enforcement investigation of potential breaches of applicable anti-bribery and corruption laws to the extent legally possible.
- 4.30 The existence, status and results of Bribery related investigations **must** be promptly communicated to the Policy Owner, to the extent legally permissible

## Training

- 4.31 Business Leaders **must** implement mechanisms designed to ensure this Policy is communicated effectively to all NAB Persons, including where necessary and appropriate, Agents and Business Partners. These mechanisms **must** include:
- 4.31.1 Periodic mandatory training for all employees and where necessary and appropriate, Agents and Business Partners; and
- 4.31.2 Annual certifications by all employees and where necessary, Agents and Business Partners certifying compliance with the training requirements.

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<sup>3</sup> Other than BNZ, for which BNZ Technology and Operations is responsible.

## 5. POLICY EXEMPTIONS

- 5.1 An exemption is required where a business is unable to comply with the mandatory requirements of this Policy for a defined period of time no greater than 12 months and immediate action cannot be taken to achieve compliance<sup>4</sup>.
- 5.2 Exemption requests<sup>5</sup> **must** be submitted to the Approval Authority and will be granted at their discretion. Refer to the Exemptions Procedure Guide for further detail.

## 6. POLICY EXCEPTIONS

- 6.1 An exception is required where a business is unable to comply with the mandatory requirements of this Policy for a defined transaction on a case-by-case basis and immediate action cannot be taken to achieve compliance<sup>4</sup>.
- 6.2 Exceptions requests **must** be submitted to the Policy Owner and will be granted at their discretion.

## 7. POLICY BREACHES

- 7.1 Breaches of this Policy (i.e. non-compliance that is not managed via the formal exemption or exception process) **must** be managed in accordance with the Employee Conduct Management Policy and recorded per the Events Management Standard Operating Procedures or regional equivalents<sup>4</sup>.
- 7.2 All Policy breaches **must** be communicated immediately to divisional / regional Chief Risk Officer Teams. Any **material** or **systemic** breach of this Policy **must** be communicated to the Policy Owner and appropriate remediation measures agreed and implemented.
- 7.3 Material breaches of this Policy **must** be reported to the Board.

## 8. POLICY CHANGE

- 8.1 Administrative changes<sup>6</sup> to this policy **must** be submitted to the Policy Owner and will be approved at their discretion<sup>7</sup>.
- 8.2 All other changes to this policy **must** be submitted to the Approval Authority and will be approved at their discretion<sup>7</sup>.

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<sup>4</sup> If there is an inconsistency between regional legislative requirements and the Group, the regional requirements will take precedence unless the Policy places a higher requirement. In this case, the Policy will apply unless it results in a breach of local legislation. Where local legislation results in non-compliance to Policy a breach, exemption or exception is not required.

<sup>5</sup> Exemptions must go through the Exemption database for endorsement by CRO and Policy Owner. It then goes to the Approval Authority for approval via the appropriate governance pathways listed in the NAB Ltd Policy Approval and Review Matrix. Regional exemptions (excluding Australia) will follow their own exemption procedures.

<sup>6</sup> As defined in the Group Policy Governance Framework.

<sup>7</sup> For publishing of Policies on Group Policy Central a Policy Change Request must be submitted with evidence of approval.

## 9. RELATED DOCUMENTS

- [Code of Conduct](#)
- Conflicts of Interest Policy
- Employee Conduct Management Policy
- Event Management Standard Operating Procedure
- Financial Crime Training Standard
- Group Gifts and Entertainment Policy
- Gifts and Entertainment and Personal Conflicts Register
- Gifts and Entertainment with Government Officials Guidance Note
- Group Information Risk Policy – Record Management Standard Operating Procedure
- Group Not for Profit Engagement Standard Operating Procedure
- Group Sponsorship Guidelines
- [Group Whistleblower Program](#)
- [Political Donations Policy](#)
- Risk Management Strategy
- Third Party Financial Crime Due Diligence Standard
- Travel and Expense Guidelines

## 10. GLOSSARY

Term	Definition
Any Other Benefit	'Any Other Benefit' extends beyond cash to include, but is not limited to, any form of gifts, entertainment, charitable donations, business advantage, and employment or internships for clients, Government Officials or their related persons.
Approval Authority	Group Chief Risk Officer
Bribery	Means the act of offering, promising, giving, accepting or requesting any gift, fee, reward or other benefit to or from any person as an inducement for an action which is dishonest, illegal or a breach of trust. Bribery can occur directly or indirectly. 'Bribe' has a corresponding meaning.
Business Leader	All references to Business Leaders correspond to first line Division/BU/PU management accountabilities. The role of Management Assurance is to support the Business Leaders to execute their risk management accountabilities. The Business Leaders remain accountable.
Business Partners	Means Third Parties acting on behalf of the Group, including but not limited to agents, intermediaries, consultants, representatives, distributors, contractors, suppliers, consortia and joint venture partners.
BU	For the purposes of this Policy, Performance Unit/Business Unit ("PU/BU") incorporates all of the various naming conventions in place across the Group.

Term	Definition
GCRO	Group Chief Risk Officer
Divisions	All references to Division relate to Divisions, Divisional Areas, Functional Business Line, Region or Legal Entity (NAB Ltd, BNZ, NAB Wealth) unless otherwise stated.
Facilitation Payment	Means an unofficial payment made in return for services which the payer is legally entitled to receive without making such a payment. A facilitation payment is normally a relatively minor payment made to a Government Official or person with a certifying function to secure or speed up the performance of a routine action, such as the issuing of a visa, work permit or customs clearance.
Government Official	Means any person or entity representing or working for a domestic or foreign government body or entity, entities which are owned (at least 50%) or controlled (directly or indirectly) by a domestic or foreign government and public organisations such as the World Bank or a trade union, or any legislative, administrative or judicial office. This includes any person standing or nominated as a candidate to be a Government Official.
Group	National Australia Bank Limited (NAB) and its controlled entities
May	The action is discretionary.
Must	An action is an absolute requirement and any deviation from this will require a formal policy exemption.
Must not	An action is explicitly prohibited and any deviation from this will require a formal policy exemption.
NAB Persons	Means all employees, Directors, Officers and Third Parties performing services for or on behalf of NAB.
People Leader	Means roles which manage a team of people who report directly to them. A People Leader is responsible for the management of people (from leave and overtime approval through to performance management, remuneration management and beyond).
Policy Owner	NAB Chief Financial Crime Risk Officer and Group Money Laundering Risk Officer (MLRO)
Should	In particular circumstances, valid reasons may exist to deviate from a requirement, but the full implications need to be understood and carefully weighed before choosing such a course of action.
Should not	In particular circumstances, valid reasons may exist where the discouraged action is acceptable or even useful, but the full implications should be understood and the case carefully weighed before choosing such a course of action.
Third Party	Means any person or entity in a business relationship with NAB, other than a customer or employee. This includes persons or entities who are (1) providing services to the bank (e.g. contractor, IT vendor, consultant); (2) introducing business to NAB (e.g., broker); (3) providing services on behalf of the bank (e.g. brokers); (4) acting in coordination with the bank (e.g. JV Partners); or (5) acting on behalf of the, or part of the, Group (e.g. agents). <b>'Third Parties'</b> has a corresponding meaning.