

# **NATIONAL AUSTRALIA BANK LIMITED**

## Group Anti-Bribery and Corruption Policy

### Policy Governance Schedule

<b>Policy Approval Date</b>	June 2023
<b>Next Schedule Review Due</b>	June 2025
<b>Policy Owner</b>	Executive Sanctions and ABC (Anti-Bribery and Corruption) Risk Steward
<b>Division</b>	Risk
<b>Approval Authority</b>	Chief Financial Crime Risk Officer and Group Money Laundering Reporting Officer (MLRO)

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# 1. OVERVIEW

## 1.1 Purpose and Scope

- 1.1.1 The purpose of the Group Anti-Bribery and Corruption Policy (Policy)<sup>1</sup> is to specify the mandatory requirements, for the purpose of ensuring compliance with applicable legal and regulatory Anti-Bribery and Corruption (ABC) obligations.
- 1.1.2 The scope of this Policy is focused on corruption in the form of Bribery.
- 1.1.3 This Policy applies across the Group and to all NAB Persons.

## 1.2 Roles and Responsibilities

- 1.2.1 The Financial Accountability Regime (FAR) Accountable Person for this Policy is the MLRO, who is the Chief Financial Crime Risk Officer for NAB Group.
- 1.2.2 In line with the Group Risk Management Strategy, Business and Enabling Units have first line accountability in managing the risks and obligations of this Policy, including the implementation of procedures and controls to ensure compliance with this Policy.
- 1.2.3 Financial Crime Risk Mitigation (FCRM), as the second line of accountability, is responsible for definition and maintenance of this Policy. FCRM is also responsible for reviewing and challenging the ways in which Business and Enabling Units execute this Policy.
- 1.2.4 The Chief Financial Crime Risk Officer delegates the responsibilities mentioned in section 1.2.3 to the Executive, Sanctions & ABC Risk Steward.
- 1.2.5 Group Internal Audit is responsible for providing independent assurance to the Board on the effectiveness of bribery and corruption risk management for NAB Group, forming a third line of accountability.
- 1.2.6 All NAB Employees must comply with NAB Group's Code of Conduct<sup>2</sup>.

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<sup>1</sup> ABC requirements are further specified in the Related Documents, including Global Third Party Financial Crime Due Diligence Standard.

<sup>2</sup> NAB's values are included in "How We Work" section of the Code of Conduct or approved equivalent for a subsidiary/legal entity of NAB, Eg if you work for BNZ, refer to BNZ Code of Conduct, procedures and guidelines.

### 1.3 Related Documents

- [Code of Conduct](#)
- Conflicts of Interest Policy
- Colleague Conduct Framework
- Risk Management Practice Framework Guidance Notes
- Gifts and Entertainment Policy - Standard Operating Procedures
- Gifts and Entertainment Register
- Interacting with Government Officials Guidance Note
- Group Information Risk Policy – Records Management Policy Standard
- Not for Profit Engagement Standard Operating Procedure
- NAB Sponsorship Guidelines
- [Group Whistleblower Protection Policy](#)
- [Group Political Contributions Policy](#)
- Insider Crime & Serious Misconduct Investigations Standard Operating Procedure
- Risk Management Strategy
- Global Third Party Financial Crime Due Diligence Standard
- Travel and Expense Guidelines
- Regulatory Breach Management Policy

### 1.4 Policy Principles

- 1.4.1 This Policy reflects the Group's commitment to:
- Zero tolerance for Bribery in any form.
  - Complying with applicable ABC laws in all jurisdictions in which the Group operates.
- 1.4.2 Bribery is a serious offence and can result in criminal and civil penalties for any person or entity involved in such an offence.
- 1.4.3 NAB Group's Senior Management must demonstrate commitment and compliance within the organisation, in promoting a zero tolerance culture towards Bribery. This includes ensuring that Employees can report suspected or actual breaches of this Policy without fear of reprisal.

## 2. POLICY REQUIREMENTS

### 2.1 Prohibition of Bribery

- 2.1.1 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. The person being influenced need not directly receive the cash, cash equivalent or 'Any Other Benefit' and can be related or unrelated to the person receiving the cash, cash equivalent or 'Any Other Benefit'. This prohibition includes any improper advantage provided to a close family member or other closely connected person of the person being influenced.
- Further details and requirements are set out in;
    - 2.4 Sponsorships, Political and Charitable Donations
    - 2.5 Dealing with Government Officials
    - 2.6 Employment
- 2.1.2 NAB Employees must not use or permit a Third Party to bribe on behalf of the Group.
- 2.1.3 NAB Persons must not authorise or otherwise knowingly facilitate bribery.
- 2.1.4 NAB Persons must not make Facilitation Payments.
- 2.1.5 NAB Persons must not falsify any book, record or account of the Group or any related documentation to conceal bribery.

### 2.2 Periodic risk-based review

- 2.2.1 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.
- 2.2.2 In the event of a significant change to the structure or activities of the Group, the bribery risk assessment must be reviewed and updated by the Policy Owner.
- 2.2.3 The Policy Owner must retain documented information to demonstrate that the bribery risk assessment has been conducted and used to design or improve this Policy.

### 2.3 Third Party Due Diligence

- 2.3.1 Business Leaders must undertake risk-based due diligence of third parties in accordance with the Global Third Party Financial Crime Due Diligence Standard.
- 2.3.2 The Third Party relationship or transaction must not proceed if bribery risks identified in due diligence cannot be satisfactorily resolved or mitigated.
- 2.3.3 Contractual arrangements with Third Parties must include appropriate anti-bribery provisions, which may vary depending on the level of bribery risk posed by the engagement identified under section 2.3.1.
- 2.3.4 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

requirement covers known or suspected bribery regardless of whether it relates to NAB Group or otherwise.

- 2.3.5 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.
- 2.3.6 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.

## 2.4 Sponsorships, Political and Charitable Donations

- 2.4.1 NAB Persons must not provide a charitable donation or sponsorship that constitutes bribery.
- 2.4.2 In accordance with the [Group Political Contributions Policy](#), political donations must not be made by or on behalf of the NAB Group.
- 2.4.3 Business Leaders must undertake and document risk-based due diligence review of the beneficiary of sponsorship initiatives or charitable donations before entering the relationship and provide the same to the Policy Owner upon request.
- 2.4.4 Risk-based due diligence of sponsorship initiatives or charitable donations must be in accordance with the Global Third Party Financial Crime Due Diligence Standard.

## 2.5 Dealing with Government Officials

- 2.5.1 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.
- 2.5.2 Employees must obtain prior approval before offering or accepting any gift or entertainment, regardless of value, to or from a Government Official. The details must be recorded in the Gifts and Entertainment Register.
- 2.5.3 If a gift or entertainment is impromptu and prior approval cannot be obtained, approval must be obtained and recorded within 2 business days.
- 2.5.4 Employees 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.

## 2.6 Employment

- 2.6.1 NAB Persons 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.
- 2.6.2 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.

## 2.7 Expense Management to Prevent Bribery

- 2.7.1 NAB Group must ensure expenses are recorded completely and accurately. Expenses should be supported with appropriate level of evidence.

## 2.8 Internal and Confidential Reporting

- 2.8.1 Employees must take immediate steps to raise any concerns regarding non-compliance with this Policy to a People Leader, Business aligned CRO team member or NAB Group's Whistleblower Program (via the KPMG [Faircall Service](#)) in accordance with the [Group Whistleblower Protection Policy](#).

## 2.9 Investigating and Dealing with Bribery

- 2.9.1 The GCRO<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 2.1.1 to 2.1.5 of this Policy.
- 2.9.2 All suspected or actual Bribery or breaches of paragraphs 2.1.1 to 2.1.5 of this Policy involving NAB Persons must be investigated by specialised investigations team with appropriate skills and experience.
- 2.9.3 Employees 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.
- 2.9.4 Bribery related breaches of this policy must be communicated to the Policy Owner and reported to the relevant law enforcement if there is sufficient evidence to indicate a Bribery law may have been breached.
- 2.9.5 The Group must cooperate with any external law enforcement investigation of potential breaches of applicable ABC laws to the extent legally possible.
- 2.9.6 The existence, status and results of Bribery related investigations must be promptly communicated to the Policy Owner, to the extent legally permissible.

## 2.10 Training

- 2.10.1 Employees must be provided ABC training that covers materials that are up to date and proportionate to the Bribery risks identified for their specific roles.
- 2.10.2 Employees must complete the training within 3 months of commencing employment with the NAB Group as part of the induction process, and refresher training within every 15 months thereafter.

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

## 3. POLICY EXEMPTIONS

- 3.1.1 An exemption is required where a business is unable to comply with the mandatory requirements of this Policy for a defined period no greater than 12 months and immediate action cannot be taken to achieve compliance<sup>4</sup>.
- 3.1.2 Authority for approval of exemptions is held by the Policy Owner and all exemptions must only be approved by the Policy Owner and will be granted at their discretion.
- 3.1.3 Exemptions and extensions to exemptions must be formally recorded as per requirements set out in the [Group Policy Governance Framework](#). In circumstances where the exemption is expired and the business is not compliant with policy, it is considered as a breach of this policy and an event must be raised. Refer to the [Exemptions Procedure Guide](#) for further details.

## 4. POLICY EXCEPTIONS

- 4.1.1 An exception is required where an Employee, Business or Enabling Unit 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.
- 4.1.2 Authority for approval of exceptions is held by the Policy Owner and all exception requests must be submitted to the Policy Owner (or their nominated delegate) and will be granted at their discretion.
- 4.1.3 Exception requests must be formally recorded as per requirements set out in the [Group Policy Governance Framework](#).

## 5. POLICY BREACHES

- 5.1.1 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 NAB Group's Regulatory Breach Management Policy and [Colleague Conduct Framework](#) (including the Misconduct Procedure or any superseding policy or framework) and recorded per the Risk Management Practice Framework Guidance Notes or regional equivalents.
- 5.1.2 All Policy breaches must be communicated immediately to division or regional Chief Risk Officer teams. Any material or systemic breach of this Policy must be communicated to the Policy Owner and appropriate remediation measures to be agreed and implemented.
- 5.1.3 Any breach of this Policy must be reported to the Head of ABC Risk, FCRM.
- 5.1.4 Material breaches of this Policy must be reported to the Board.

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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.



## 6. POLICY CHANGES

### 6.1 Administrative Changes

6.1.1 Administrative changes to this Policy may be approved by the Policy Owner (or if applicable their nominated delegate)

### 6.2 Other Changes

6.2.1 All other changes to this Policy must be submitted by Policy Owner/Manager and approved by the Approval Authority.

## 7. 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.
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. ' <b>Bribe</b> ' has a corresponding meaning.
Business Leader	Business Leaders are individuals who lead the management decision-making responsibility for Business & Enabling Units and sub-units organised to deliver services internally or to customers.
CRO	Chief Risk Officer
GCRO	Group Chief Risk Officer
Employee/ NAB Employee	Includes all employees of NAB globally and its controlled entities, including directors, officers and employees (including part-time and fixed-term employees), contractors, interns, seconded employees and temporary workers engaged by NAB.
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 individual 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 individual standing or nominated as a candidate to be a Government Official.
Group/ NAB Group	National Australia Bank Limited (NAB) and its controlled entities, including all subsidiaries, international branches and representative offices.

Term	Definition
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, agents, contractors and Third Parties acting on behalf of the Group.
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).
Senior Management	For the purposes of this Policy, Senior Management refers to Board of directors, Executive Leadership Team and FAR Accountable Person for this Policy.
Third Party	Means any person or entity in a business relationship with NAB Group, other than a customer or Employee. This includes persons or entities who are (1) providing services to the NAB Group; (2) referring business to the NAB Group; (3) acting on behalf of the NAB Group; (4) acting in coordination with the NAB Group including Mergers and Acquisitions; or (5) beneficiaries of sponsorships and charitable donations. <b>'Third Parties'</b> has a corresponding meaning.