

CORPORATE SOCIAL RESPONSIBILITY POLICY

Name & Introduction:

The Policy is called the “National Australia Bank – Corporate Social Responsibility (CSR) Policy”.

National Australia Bank in India (NAB) is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related rules.

Definitions:

“Act” means the Companies Act, 2013

“Corporate Social Responsibility (CSR)” means and includes but is not limited to:

- a. Projects or programs relating to activities specified in Schedule VII of the Act or
- b. Projects or programs relating to activities undertaken by the India Management Committee (“MANCO”) in pursuance of recommendations of the CSR Committee as per declared CSR Policy of NAB subject to the condition that such policy will cover subjects listed in Schedule VII of the Act

“MANCO” means the India Management Committee

“CSR Committee” means the Corporate Social Responsibility Committee referred to in section 135 of the Act

“CSR Policy” refers to the CSR outlook of NAB and the activities to be undertaken by NAB as specified in Schedule VII of the Act and the associated expenditure, excluding activities undertaken in the pursuance of the normal course of business of NAB

CSR Committee Composition:

The CSR Committee shall be composed of at least 2 persons of which one person shall be as specified under clause (d) of sub-section (1) of section 380 of the Act and another person shall be nominated by the MANCO.

Committee Meetings:

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities but not less than quarterly

Duties & Responsibilities of the CSR Committee:

- I. Review of CSR activities to be undertaken by NAB. The CSR Committee shall be guided by the list of activities specified in Schedule VII of the Act
- II. Formulate and recommend to the MANCO the CSR activities / programs to be undertaken by NAB
- III. Recommend the CSR expenditure to be incurred on CSR activities / programs
- IV. Institute a transparent mechanism for implementation of the CSR projects and activities. Effectively monitor the execution of the CSR activities.

- V. Monitor and implement CSR Policy.
- VI. Review and update the CSR Policy at least on an annual basis.
- VII. Annually report to MANCO the status of CSR activities and contribution made by NAB.

CSR Expenditure:

The CSR Committee will make a recommendation to the MANCO on the amount of CSR expenditure to be made in each financial year and its purpose in line with the requirements of the Companies Act, 2013.

Losses (if any) for the previous years will be considered for the purpose of computation of “average net profit”.

CSR expenditure shall mean all expenditure incurred in respect of specific projects / programs relating to the approved CSR activities.

CSR Expenditure shall not include projects or programs or activities undertaken outside India.

CSR Expenditure should be in accordance with RBI guidelines.

Implementation Structure:

The CSR activities shall be undertaken directly or through a registered trust or society with an established track record of 3 years in undertaking similar programs or projects

The NAB may also collaborate with other entities for undertaking projects or programs or CSR activities in a manner that the CSR Committees of the respective companies are in a position to report separately on such projects or programs in accordance with the regulations.

Monitoring Mechanism:

The CSR Committee shall ensure a transparent monitoring mechanism for CSR projects or programs or activities undertaken by NAB.

A time frame shall be fixed for all CSR projects / activities for their timely completion with suitable milestones.

NAB shall monitor the project's progress either directly or through other outside agencies.

Disclosure:

NAB shall include in its annual report, commencing with the year ending March 31, 2015 the disclosures as prescribed under the Act and the rules as amended from time to time.

Details of the CSR activities undertaken by NAB and amounts spent along with reasons for spends below budgeted levels, if any, shall also be reported in NAB's Annual Report. NAB will also display the CSR policy on the Banks website.