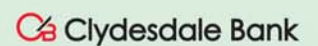


Code of Conduct

our behavioural guidelines



Code of conduct

The Code of Conduct (Code) clearly states the standards of responsibility and ethical conduct expected of you, as an employee of National Australia Bank Limited (NAB). It applies to all employees who are geographically located in Australia. This includes employees within the Australian regional business, the Corporate Centre, Australian-based NabCapital, and NAB's Principal Board of Directors.

The purpose of this Code is to ensure that our professional standing is maintained at all times. The Code details our policies, with supportive case study material and suggestions as to how difficult situations can be avoided. All case studies are derived from real events and it is important the messages and consequences of breaching the Code of Conduct are understood.

A clear theme running through the Code of Conduct is the importance of trust in the relationship between NAB and its employees. This Code is underpinned by our Corporate Principles and our Compliance Standards with which we aim to create and deliver consistently superior value to our shareholders, customers, employees and communities.

If this essential element of trust is breached, NAB is left with no alternative but to review, and if necessary end, the employment relationship. It is absolutely essential that you become familiar with the Code. We encourage you to take the issues and scenarios outlined in the Code very seriously and any questions that you may have should be referred to your People Leader.

We are committed to building an open and transparent culture for NAB and you have a role to play in this. If you become aware of a serious breach of the Code, you have a duty to speak up and bring it to the attention of your People Leader, People and Culture or ring the Confidential Alert Line.

We are all responsible for ensuring compliance with our Code of Conduct.

John Stewart
Managing Director & Group CEO
National Australia Bank Ltd

Ahmed Fahour
Executive Director & CEO Australia
National Australia Bank Ltd

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Personal conduct

The business of providing financial services is reliant on the trust, confidence and goodwill of the public. As an employee of NAB you should always behave in a professional manner that will foster that trust, confidence and goodwill in both customers and colleagues alike. This can be achieved by following NAB's Corporate Principles that indicate the way in which we should behave in the workplace and at work related functions.

At all times your actions, both in and out of the workplace, should be beyond reproach. Employees need to ensure they act in a professional manner in accordance with policies, procedures and regulations pertaining to their current role. This includes accessing authorised information only for work-related tasks.

If you are experiencing any financial or personal difficulties, please discuss them with your People Leader or People and Culture. They will make every effort to assist you and can refer you to our Employee Assistance Program (EAP) which provides independent and confidential counselling services for any difficulties you may be facing.

Case study

A teller in a branch has been conducting her mother's banking by transferring monies between accounts and paying bills on her mother's behalf. She completes these unauthorised transactions at her own workstation – all for convenience as her mother has found it difficult to attend the Branch or complete her banking via remote channels. The employee is not listed as a signatory on her mother's accounts, though believes her mother has given her verbal authority to conduct transactions on her behalf. After a period of some months of these transactions being conducted the mother questions some of the transactions. NAB becomes involved in the dispute, and unauthorised transactions are identified. The teller's employment is placed in jeopardy as a result of her actions, and the NAB also faces the risk of possible customer litigation.

Employees must not conduct transactions involving their own accounts, or on behalf of any other party (including family/friends), except in strict accordance with established NAB customer policies and procedures. Transacting includes but is not limited to accessing, viewing, amending, creating, managing or downloading/printing customer and employee account information. Staff must always act at arm's length when dealing with their own accounts or those of related parties.

Case study

Ms P attended a dinner as part of her team's Sales Conference at a local restaurant. Her team mates all appeared to be enjoying themselves, socialising and dancing. One team mate who had consumed an excessive amount of alcohol, Mr X, approached Ms P when she was dancing and whispered in her ear. Ms P couldn't hear him properly and turned to ask him what he said. Mr X then grabbed her around the waist and tried to kiss her. Ms P was horrified and pushed Mr X away telling him he was drunk and to stay away. Later that night when Ms P was leaving, Mr X again approached her making lurid and suggestive comments.

Following the event, Ms P reported the incident to People & Culture. In accordance with the Discrimination, Harassment and Bullying policy, a thorough investigation of the incident was then conducted by People & Culture. This included interviewing Mr X and several witnesses provided by Ms P to ascertain the actions that had taken place. Mr X said he had little recollection of the party as he had consumed a large quantity of alcohol.

However, based on witness accounts and other relevant information gathered throughout the investigation, the allegations of harassment raised by Ms P against Mr X were substantiated. As a result of his conduct, Mr X was found to have sexually harassed Ms P as well as breached NAB's Code of Conduct. Due to the seriousness of the breaches, Mr X's employment with NAB was terminated.

Employees are reminded that they must act in a professional manner at all times when attending work related functions, even after hours. People Leaders are also reminded of their responsibility to ensure alcohol is served responsibly, and to ensure any employee not behaving in an acceptable manner is dealt with quickly at the time. This may include remedies such as the removal of alcohol, or sending an employee home early.

Failure to act in accordance with the Corporate Principles may lead to disciplinary action including termination of employment.

Case study

As a result of Mr C, a Call Centre Consultant, using his personal mobile phone during working hours, his Team Leader Ms F called him aside to remind him that the use of personal mobiles in the call centre was prohibited except in emergency situations. During the discussion Mr C became aggressive, yelling and swearing, and standing over Ms F. Ms F was shocked by the outburst, feeling intimidated and frightened.

Ms F reported the incident to her People Leader who interviewed Mr C about his behaviour. While Mr C stated in his response that he was remorseful for his outburst, he explained that he was frustrated and tired of being told what to do all the time.

Despite Mr C's frustration, his behaviour was inappropriate and constituted a breach of NAB's Code of Conduct and the Corporate Principles. As a result he was appropriately disciplined, which impacted his performance appraisal, and subsequently his Short Term Incentive ('bonus') payment.

Employees are reminded to raise any concerns with their People Leader, or People & Culture. If they are experiencing personal difficulties, confidential assistance can be provided through the Employee Assistance Program (EAP) by calling 1300 360 364.

Case study

Mr D has been a teller with NAB for many years. On running out of cash the day before pay day, he decided to place an IOU for \$20 in his cash drawer. He also advised Mr E, a teller newly appointed to NAB, that he was short of cash and would pay the IOU the next day. The first thing Mr D did the next day was pay the \$20 back and let Mr E know what he had done. Mr E was extremely uncomfortable with what Mr D had done as this type of behaviour was talked about at his induction course and he knew it was not permitted. Being unsure of what to do, Mr E reported the incident to his Branch Manager.

The Branch Manager interviewed Mr D about the IOU. Mr D was surprised about being questioned over the IOU as he felt he wasn't being dishonest. He advised he had told Mr E about the IOU and had paid the money back the next day. The Branch Manager explained to Mr D that his actions had meant he had accessed the bank's money for personal use without entitlement or the proper authority to do so. This behaviour constituted a breach of the Code of Conduct and Mr D was dismissed from NAB.

Employees are encouraged to talk to their People Leader when they are unsure if their conduct or behaviour may be seen as inappropriate, or a breach of NAB's policies or Code of Conduct.

Electronic communications usage

In our day-to-day communication with customers, staff and the public, NAB uses advanced technology to conduct its business. You are provided with the opportunity to use mediums such as telephones, faxes, e-mail, intranet and the internet, that are network resources and facilities owned or controlled by NAB. These facilities are resources, and in some cases a privilege to use. They should be used to communicate effectively and efficiently. They should not be abused.

Employees are to be responsible for their own conduct. Use of NAB's communication media at any time must not be used to offend, discriminate against or harass work colleagues or the public. This includes but is not limited to accessing, viewing, sending, storing, transmitting, creating or down loading material of this nature.

If you receive inappropriate material through NAB's electronic network, you should immediately delete it and notify the sender not to send you such material. Your People Leader or People and Culture should be notified if you continue to receive material of this nature. Accidental connection to an inappropriate website on the internet should also be disconnected immediately.

Any breach of the Electronic Communications policy is also a violation of the Code of Conduct, and may result in disciplinary action including termination of employment.

Case study

Mr F required access to the Internet for business purposes related to his role as a Financial Planner. This authorised access to the internet and the provision of a laptop was given on the basis that Mr F would only use it for work-related tasks. Monitoring of NAB's Electronic Communications Systems identified that Mr F had accessed websites that contained sexually explicit and offensive content.

Mr F was subsequently interviewed by his People Leader and senior manager. During this interview Mr F was shown the evidence, that he had accessed these websites and was given an opportunity to explain his behaviour.

Mr F admitted to accessing sexually explicit web sites, but thought that as he was being discrete it was ok. Mr F advised he had only looked at pornography at work a few times but generally it was done after work hours.

As a result of his inappropriate and unacceptable behaviour, and on the basis that NAB was satisfied that Mr F had breached the Electronic Communications Policy and Code of Conduct, Mr F's employment was terminated from NAB.

Many employees of NAB have access to email, the internet and other business systems. They should remember that they are only authorised to use these systems for job-specific purposes, and they should never abuse this access for personal use. This includes use of work-provided equipment after hours, remote access (telecommuting) and on weekends.

If you are unsure whether accessing a website on the internet could be regarded as a breach, please discuss the query with your People Leader, People and Culture or Operational Risk.

Case study

Ms H received an email from a friend that contained a joke with racist overtones. She thought the joke was funny and sent it on to five team mates who she thought would also find it amusing. However one of her team mates found the email offensive and reported it to her People Leader.

The People Leader interviewed Ms H about the e-mail. She responded by saying that the email was meant to be a joke and although she thought it may have been inappropriate, she had been careful about who she sent it to.

Ms H's actions constituted a breach of NAB's Electronic Communications Policy as she had misused the email system. She also breached NAB's Discrimination, Harassment and Bullying Policy due to the racist content of the email. As a result, Ms H was appropriately disciplined, which impacted her performance appraisal and subsequently her Short Term Incentive ('bonus') payment

Honesty

We require our employees to be honest. As an employee of NAB, you will have access to money, information, goods and documents belonging to NAB or its customers. Stealing, borrowing, misappropriating or converting these items to private use and unauthorised access to information are criminal actions and violate our Code of Conduct. Any such offence may result in dismissal and formal notification to the police.

Concealing errors and omissions, or attempting to protect fellow employees who have breached NAB's regulations will also be viewed very seriously. Any employee who deliberately chooses to ignore or cover up the improper conduct of a colleague may be considered to have assisted in committing the offence and may be subject to disciplinary measures and police action.

Case study

In her position as a relieving People Leader, Ms B worked in many outlets and was given a wide variety of responsibilities. One of her duties was to ensure that unwanted credit cards were destroyed and returned to Card Services. In this case, Ms B deliberately withheld a card that a customer had declined. She subsequently signed the name of the customer on the back of the card and proceeded to use it.

Some time later, the original cardholder received a statement detailing purchases made with the stolen card. This customer stated that she had declined the new card some three months before. The outlets accepted this explanation because they had supporting documentation to this effect.

Following investigation, this fraud was traced back to Ms B, who eventually admitted to taking the card and using it for her personal purchases. These admissions resulted in Ms B being dismissed from NAB for fraudulent misuse of a credit card. The police were subsequently notified of the circumstances surrounding the case.

Regardless of the temptation, never make Ms B's mistake. Such blatant cases of fraud are always discovered. If you encounter financial hardship, arrangements can probably be made to overcome your difficulties. It is important to remember this and discuss such difficulties with your People Leader or People and Culture so that arrangements to overcome your difficulties can be explored. This may include referral to professional counsellors under the Employee Assistance Program (EAP). Also, employees are encouraged to make use of financial advice available to employees through specialist areas, such as financial planning, to assist in keeping their finances in order and to avoid such situations where possible.

Case study

A sick employee telephoned her People Leader to advise that she was unwell and would not be back at work for three days.

When she returned to work, she gave her People Leader a medical certificate covering the period of absence.

After reviewing the certificate, it seemed that one of the dates had been altered to indicate extra time off was advised by the doctor. The People Leader telephoned the medical centre to confirm the dates of the certificate. After reviewing the dates with the doctor, the People Leader was satisfied that the medical certificate had been changed. The People Leader then interviewed the employee advising them of what the doctor had stated.

The employee admitted to changing the dates as she did not want to go back to the doctor and pay for another consultation.

By falsifying the medical certificate, the employee has breached NAB's Code of Conduct and her employment was terminated.

Undertaking any activity that erodes the trust relationship between NAB and its employees is likely to result in employment being terminated.

Case study

Mr A's position as a supervisor gave him access to the accounts of customers as well as his own. One morning, Mr A required money to pay a large debt he had incurred. Unfortunately he did not have the money in his account to cover the debt.

He decided to use his position within our organisation to amend financial details such as his account loan and limit fields on the system, to gain access to funds he was otherwise not entitled to. When his salary was next paid, he repaid the money to his account. As he had done this once successfully, he continued to fraudulently access bank's funds in this manner.

Mr A had worked for NAB for a number of years, and was fully aware of NAB's procedures and regulations in relation to amending and accessing his own accounts. He thought that because of his intention to repay the money at some stage, it would be acceptable for him to continue his activities. After some time, this irregular activity was detected by a relieving employee and was subsequently investigated by Audit.

Clearly, manipulating systems and accessing your own accounts for value transactions is in contravention of NAB's policies, procedures and regulations. It was considered that Mr A had violated the relationship of trust that must exist between an employee and NAB. Therefore, Mr A was dismissed from NAB and the matter was subsequently placed with the police.

If Mr A had discussed his financial position with his People Leader, People and Culture or a professional counsellor, the outcome may have been different. Even if there is an intention to repay money obtained from amending your own account, or taken from another account without authorisation, it is still theft and a criminal offence. Never take such matters into your own hands. NAB will try to assist you if you have personal or financial difficulties.

Relations with customers

You should always remember that as an employee of NAB, you are expected to represent and support NAB's policies.

You should exercise caution in your personal relationships with customers to ensure they do not involve obligations that may prejudice or influence your business relationship or conflict with your duties to NAB. This includes either entering into a business relationship with customers, or establishing ongoing business arrangements with them in a partnership or as a director of a company.

Services and products must not be made available to customers if you are aware, or have reason to suspect, that these facilities will be used for criminal or illegal activity.

Care must be exercised in accepting hospitality over and above that required for the normal conduct of business.

You must not be indebted to customers by accepting or sharing commission or fees. Care must be exercised to ensure that even small gifts do not entail any obligation or expectation of favours. If in doubt, consult with your manager or People Leader.

Case study

A situation arose in a suburban outlet where a supervisor began accepting the third party cheques of a local businessman. The businessman did not obtain an endorsement on the cheques from the payee, nor were they recorded in the third party cheque register at the time of the deposit. Despite the supervisor warning the customer that if the cheques were returned dishonoured he would be considered responsible for them, the supervisor failed to follow NAB policy on the acceptance of these cheques.

Once the supervisor began this practice, he found it increasingly difficult to refuse the growing number of local businessmen within the close-knit community who were requesting the same services. As a consequence, the practices continued for some time, with the supervisor continuing to not enter these cheques in the third party register, nor to get authorisation from his People Leader.

The practices were eventually discovered by the People Leader. A subsequent investigation resulted in the employee's dismissal for failing to follow key financial procedures. Despite finding that the supervisor derived no financial gain from these practices, it was clear that he had placed his relationship with a number of customers over and above his obligations to NAB. In doing so, he had exposed NAB to a potential loss and, as such, NAB no longer had faith in his ability to effectively carry out his duties.

If a customer is demanding these or other services from you that are contrary to NAB's procedures, explain to the customer that you do not have the ability to satisfy their request. Your People Leader will always support you in these actions, and may assist by explaining NAB's policies to a customer.

If this supervisor had followed NAB procedures from the time he served the first businessman, the whole episode would have been avoided.

Prevention of fraud

NAB can at any time be the target of fraud and corruption.

Fraud and corruption involves dishonest actions, or dishonestly failing to act, that cause actual or potential financial loss, or an unjust advantage, including theft of money, data or other property whether or not deception is involved. Deliberately falsifying, concealing or destroying documentation, particularly financial statements, of your own, a customer's or NAB's, is regarded as fraudulent or corrupt action. Furthermore, employees or contractors must not be involved in an act or acts of bribery by providing or promising to provide a benefit, including non-monetary and non-tangible inducements, to another person where that benefit is not legitimately due.

Our policies and procedures have been designed to minimise risk to our employees and NAB. You should be alert to unusual activities or requests from other employees or customers and adhere strictly to NAB's policies and procedures.

For example, accounts must not be opened or operated in fictitious names. By ensuring that the correct procedures are adhered to at all times, such as checking a customer's identity, including the 100 point AUSTRAC check list, fraudulent situations such as this can be prevented.

The definition and example outlined above is not exhaustive. Please refer to the full policies and procedures located on NAB's intranet for more information. If you are unsure whether fraud has occurred, or if you are pressured by a customer or fellow employee to depart from our policy/procedures, consult your People Leader or next level manager. The Whistleblower Protection Program Policy and Process has also been established to assist employees to report suspected and actual fraud. Failure to report fraud will be regarded as seriously as the fraud itself.

Failure to adhere to procedures designed to prevent fraud occurring, or failure to report suspicious activity such as money laundering, may result in disciplinary action against an employee.

Case study

During an especially busy Friday morning, Mr G, a Service Adviser (SA) at an outer suburban outlet, noticed that the signature of one of his male customers did not match that on the back of his credit card. Upon closer inspection, the name signed was not even the same as the one printed on the card. When Mr G questioned the customer about this error, the customer was vague and signed another form with the name that matched that on the back of the card. Mr G was suspicious of the customer's actions, and reported the matter to his People Leader.

After some lengthy investigations, it was established that the customer had accounts under different names to avoid taxation and to hide his criminal activities.

These activities had been occurring for an extended period of time and would have continued if it were not for the actions of Mr G. As with Mr G, NAB expects all of its employees to be fully alert to the risk of fraud. It is the responsibility of all employees to follow correct procedures to ensure instances of fraud and the subsequent risk to NAB is kept to a minimum.

Australian Financial Services Licence (AFSL) requirements

Under our AFSL, representatives (NAB employees) who have successfully completed specialist training are authorised to provide advice on licensed products and services.

All other representatives who have completed AFSL general awareness, can provide factual information only to our customers. Factual information is information such as fees and charges, interest rates, interest frequency, statement frequency and access methods etc. It does not include recommendations, comparisons, statements or opinions that may influence a customer's decision about a financial product.

If you are accredited to provide advice, you must provide the applicable disclosure documentation and warnings. You must also inform the customer of all aspects of the product including the terms and conditions, fees and charges and any special conditions associated with that product.

Failure to meet these obligations can impact our licence to operate and can result in fines, termination of employment or imprisonment.

Examples of breaches of our licence can include, but are not limited to;

- Failure to provide a customer with NABs products and services documents at the appropriate time
- Selling an inappropriate product to a customer, e.g. a product that was being pushed for a sales target which did not really suit the customer's needs.
- Misrepresenting or providing false details about the features and conditions attached to a product.
- Providing advice to a customer, when not trained and accredited, e.g. telling a customer which home insurance product is best for them, when you do not have the NABs authority to do so.

Market information

Sometimes you may obtain sensitive information about a company which is not generally known to others. NAB regards sensitive company information (as well as any information about customers) as private and confidential. It does not permit you to reveal, or make use of it other than for approved purposes. This can include the release of information to non-authorized external parties.

In addition to this restriction, it is a criminal offence to buy or sell stock market listed shares or certain other securities or debt instruments if you have information not generally known which if it was generally known, might affect the value of those shares or securities. The law also prevents you passing the confidential information to others for use in that way.

These breaches of the Code of Conduct will result in dismissal.

Case study

Mr B, an employee of a bank, bought options to acquire shares in Company Z whose share price at the time was low. However, Mr B had confidential information at the time he bought the options, that another company was staging a take-over of Company Z and that once this was announced publicly, the share price would be likely to rise. This is eventually what occurred and Mr B made a large profit when he exercised his options to sell the company's shares.

Despite Mr B's attempts to conceal his actions by using a false name and pretending that others, who acted without his knowledge, were involved he was charged with offences under the Corporations Law and found guilty. Mr B was sent to prison despite the evidence of his good character. He lost his position with the bank, and his reputation. The profit he had made had to be paid back.

Any allegation of misuse of confidential information will be thoroughly investigated by NAB. Schemes to avoid detection, such as passing the information to friends or relations for them to do the prohibited trading, will be discovered in such an investigation.

All involved may have committed offences including breaching the Code of Conduct and possibly criminal acts as well.

Conflict of interest

You should avoid entering into any relationship that may result in a conflict of interest with, or be prejudicial to, the business of NAB.

You should exercise considerable care in accepting any opportunity to become involved in non-NAB employment/business ventures whether as a principal, partner, director, agent, guarantor or employee. Any such interest in other employment/business may only be pursued with the written consent of NAB. Specifically, this consent must be given by People and Culture in conjunction with your manager, or People Leader.

You may accept positions in clubs, charitable organisations, etc. However, if you feel that your personal activities may result in a conflict of interest with your work, you should always consult your People Leader, or People and Culture prior to accepting such positions.

If your circumstances change, for example you make important purchasing decisions for the bank and your spouse/partner has a major interest in the supplier, you should disclose this to your People Leader.

Case study

Mr P was the treasurer of the local cricket club as well as being employed as a manager with NAB. For several years the club had been involved in fund raising activities towards building a new clubhouse. While these activities had ranged from numerous raffles and functions to collecting donations, the club had enjoyed only moderate success for its efforts. Finally, the committee passed a resolution at their annual general meeting to obtain finance to cover the substantial shortfall in funds so that the clubhouse could be built by the beginning of the next cricket season.

Mr P, as treasurer, was fully aware of the club's financial position and voted against the resolution, because he felt that the club did not have enough income to support the size of the loan required. After several unsuccessful attempts by the president and secretary to obtain finance, they approached Mr P in his position as manager of the local outlet with the expectation of obtaining preferential treatment. Considerable pressure was applied to Mr P, with the members even questioning his loyalty to the club. As a result, Mr P approved the loan and construction of the new clubhouse began.

After only a short period of time, the club experienced considerable liquidity problems as a consequence of low income through the winter, as Mr P had originally predicted. This eventually resulted in the club not being able to meet the loan repayments, causing a large loss to NAB. When this situation was investigated, it was found that the loan should never have been approved and that Mr P had misused his position of responsibility. This ultimately resulted in Mr P's employment being terminated from NAB.

Remember, your People Leader has an interest in helping you avoid difficult situations. If a situation similar to Mr P's arises in the course of your duties with NAB, you should discuss the matter with your People Leader.

Mr P could have avoided this conflict of interest by passing the loan request on to his senior manager.

Confidentiality, access and disclosure

NAB holds a great range of confidential information regarding our customers, our staff, our suppliers and our internal business affairs both domestically and internationally. This information must only be accessed if it is required in order to fulfill a work related task. Any access to customer, staff, supplier or business information other than that required for work purposes, will be deemed as unauthorised access. Similarly releasing this information to unauthorized sources, internal or external, is prohibited. If you wish to gain access to such confidential information for a work related task, you will need to obtain proper authorisation.

Such information must never be provided to, or discussed with, any unauthorized person within or outside NAB or be used for personal/financial advantage. Information obtained before, during or after your employment, whether it concerns the business affairs of NAB, NAB'S staff, customers or suppliers must always be treated as confidential. Only in very limited circumstances, generally involving legal matters, can confidential information be disclosed outside of NAB

NAB's internal systems (such as eBOBs or Siebel etc) should not be used to access your own personal customer profiles or those of your family, friends, staff or well-known identities. If you require any information regarding your own relationship with NAB as a customer, please refer these questions to your banker, internet banking, or call 13 22 65 and refer family and friends via the same channels. This will ensure that you do not risk breaching the Code by accessing information without authorisation.

Further, personal information about customers of NAB or about other individuals having dealings with NAB (e.g. Contractors) must, among other things, be viewed, collected, used, disclosed, updated, stored securely and destroyed only in accordance with National Privacy Principles (NPPs). The NPPs are set out in the Privacy Act 1988 (Cth). Personal information is any information or opinion about individuals, including in particular about NAB's customers, whether true or not and whether recorded in material form or not, whose identity is apparent or can reasonably be ascertained from that information or opinion.

NAB has made certain commitments to its customers and others to protect their personal information. These commitments are set out in NAB's Privacy Policy (copies of which may be obtained on www.national.com.au or www.nabgroup.com). You should familiarise yourself with the policy.

Providing financial advice and financial services is an onerous position and recognised by the community as one requiring a high level of trust and ethical behaviour. This position must never be exploited either to your own advantage or that of others, during your employment or after its cessation.

The common law, the Privacy Act, and the Codes of Banking Practice and Electronic Funds Transfer and certain other legislation govern NAB's dealings with personal, and confidential, information provided to it by others.

It is your ethical obligation to maintain the trust and confidence of our customers and to do this by protecting relevant personal and confidential information. You are also obliged, as a matter of law, to ensure that all personal information that comes to your knowledge before, during or after your employment with NAB is protected in accordance with the NPPs. Further, you must ensure that the commitments given by NAB to its customers and others in its Privacy Policy are carried out properly.

Failure to comply with those obligations and to carry out those commitments, or causing NAB to breach those obligations and commitments, will result in disciplinary action, possibly dismissal.

If you suspect that personal information is in the wrong hands, do not hesitate to discuss this with your People Leader.

Case study

An employee attached to a Business Banking outlet was responsible for several large business customers who required finance from NAB on a regular basis. As a consequence, it was essential for the employee to be thoroughly familiar with the financial state of these various businesses. Indeed, she had gathered a considerable amount of data, and had developed a comprehensive understanding of her customer's needs and interests. Regrettably, it was her injudicious use of the information she had collected that brought her actions to the attention of NAB.

After a thorough investigation, it was discovered that she was passing on her customer's personal information to other sources in return for her own financial gain. In situations where a small business was flourishing, she contacted the person who owned the premises in which the business was situated so they could request a higher rent from their tenants. In situations where the business was failing, she contacted competitors who could benefit from this knowledge.

This information was always accompanied by some sort of 'kick-back' for the employee.

This was only discovered when one of these contacts reported her activities to senior management at NAB. After a full investigation of the matter, the employee was dismissed for disclosing personal and confidential information to unauthorised people in return for personal gain. Not only did the employee's actions result in her dismissal, those actions also put at risk NAB's relationship with its customers and exposed NAB to liability for breach of laws relating to privacy.

Case study

Mr A was a teller and a good friend of Sam, a customer of NAB for many years. Sam was nearing the end of a difficult divorce and asked Mr A if he could get him some details of his wife's accounts. Sam told Mr A that his wife was not being honest about her financial affairs and Sam was really worried about his future. Mr A was genuinely worried about his friend and agreed to provide a list of the wife's accounts including the balances. He also agreed to print off transaction listings from two of her accounts.

Some time later, NAB received a letter of complaint from Sam's wife, accusing NAB of disclosing private and confidential information to her former husband. She alleged that her former husband had information about her financial affairs that could only have come from NAB. She further alleged that Mr A had been a long time friend of her husband's and she suspected he had provided the information.

A thorough investigation was then initiated, including a systems review of Sam's wife's accounts. As all keystrokes are recorded on most systems, the review revealed that Mr A had accessed her accounts several times over a one week period. It also showed transaction listings had been printed. Mr A was then interviewed about the complaint and the systems evidence was put to him for his response.

Mr A admitted to accessing and then disclosing the details to Sam. Mr A stated he knew that Sam was not authorised to receive such information but really wanted to help his friend. He also commented that he didn't think his actions could be traced back to him.

His actions were in breach of NAB's Code of Conduct and put NAB's relationship with its customers at risk. Mr A's actions also exposed NAB to liability for breach of laws relating to privacy. As such, Mr A was dismissed from his position at NAB.

Case study

Mrs D was a fanatical football supporter who worked as a Relieving Teller at NAB. One of her duties was to cover the lunch time period at the branch. Whilst Mrs D stood at the counter she would look up her favourite footballers' details on eBOBS. Mrs D was very curious and just wanted to know where the footballers lived, their ages and what type of accounts they had with NAB.

Mrs D would look up the details of the footballers at every branch she relieved at and would then talk about the footballers' private details with other employees at the branch.

One of the tellers Mrs D was working with started to worry about the fact that Mrs D was breaching the privacy of these customers. Knowing this type of conduct is not appropriate she decided to report it to the Branch Manager.

A thorough investigation was then conducted and determined that Mrs D had accessed and disclosed personal and confidential information for no legitimate business reason. Mrs D's actions were in breach of NAB's Code of Conduct and put NAB's relationship with its customers at risk. Her actions also exposed NAB to liability for breach of laws relating to privacy. As a result, Mrs D's employment was terminated from NAB.

Media discussions/publicity

Employees, other than those specifically authorised, are not permitted to give interviews to the news media (radio, press, television etc.) or make public statements on any aspects of NAB or its operations. In matters of topical interest, employees are unlikely to be in a position to know all the facts and consequently may give the wrong impression and/or information which could prove damaging to NAB's image. Similarly, statements on industrial disputes can easily be misinterpreted when they are not based on a complete knowledge of the facts of a particular case.

Employees are also not permitted to allow press or television photographers to photograph the interior of NAB premises without approval from Corporate Affairs.

Complying with regulatory obligations

Regulatory compliance is about complying with all laws, regulations and codes that are applicable to NAB as a financial service provider and in order to stay in business. Failure to meet our regulatory obligations can impact our license to operate and can result in fines, termination of employment or imprisonment for employees. It is also about developing the right compliance culture “doing the right thing” so that we treat our customers fairly and as we would wish to be treated ourselves. In this way, we will achieve our corporate objectives and meet the expectations of all of our stakeholders. We can then take pride in the National’s compliance culture and achievements. Your conduct will be a key contributor to this.

The minimum behavioural expectations for all employees are defined in the Corporate Principles and Compliance Standards, as well as in the Code of Conduct.

Primarily an employee’s behaviour is assessed against these principles as part of their annual performance review. Doing the right thing, living the Corporate Principles, Compliance Standards, and abiding by this Code of Conduct means that an employee is compliant. Where an employee fails to do this penalties will be applied.

Our compliance procedures and training are in place to protect you, NAB and our customers. Make yourself familiar with your obligations, actively encourage others to do the right thing and let us know where problems arise.

Any suspected issues of non compliance or potential breaches should be reported to your People Leader, to Concern Online, or to the Whistleblower Protection program. Identifying incidents and potential breaches is about noticing mistakes and process or system failures that could lead to a breach of our policies, procedures or relevant legislation and codes and making sure this is reported so that we can work together to remedy any weaknesses.

Examples of a breach can include, but are not limited to:

- Failing to take additional steps to ensure that a customer from a Non English Speaking Background understands the fees and charges that may apply to a product.
- Failing to report cash transactions at your Branch that are in excess of \$10,000 or transactions that you suspect may be suspicious.
- Keeping a list of your customer’s tax file numbers in a spreadsheet on your computer.

Consequences of breaching the code of conduct

The material presented within the Code of Conduct is by no means exhaustive. The Code has been designed to focus upon particular recurring examples of misconduct identified by NAB.

As previously discussed, the importance of a relationship based on trust between NAB and its employees cannot be underestimated. All suspected breaches of our Code of Conduct or any other situation pertaining to the relationship of trust between NAB and its employees will be thoroughly investigated.

Depending on the nature of the issue such investigations will be conducted by the People Leader supported by Audit, People and Culture, Compliance, Technology, Security or an external party. If these investigations reveal breaches of policy, appropriate disciplinary and remedial action will be taken. This will range from providing the employee with training, coaching and counselling through formal warnings to termination of their employment.

All such breaches of the Code of Conduct or policy will impact on an employee's performance appraisal and consequent short term incentive payment.

If the matter is criminal in nature, it will be placed in the hands of the police. In many cases, employees have not only lost their employment but have faced criminal charges as a consequence of their actions.

This Code of Conduct booklet gives an overview of matters which are of great importance to NAB. You can find out more about these matters in the full policies and procedures on NAB's Intranet, or by talking to your People Leader. The Code of Conduct stresses the importance of discussing matters about which you are uncertain with your People Leader. This includes matters pertaining to both you and/or your colleagues. Then, and only then, can the appropriate actions be taken to ensure that you avoid difficult situations and NAB's position in the community is not compromised. In short, when in doubt, obtain the advice of your People Leader or People and Culture. It is equally important to disclose to your People Leader any mistakes you discover to enable their swift correction. NAB seeks to encourage the conduct of self-disclosure. Professional counsellors are also available through the Employee Assistance Program (EAP) on 1300 360 364

National Australia Bank Group policy declaration

I, _____

fully understand the contents of the brochures titled:

Code of Conduct – Our Behavioural Guidelines.

Harassment and Bullying – Off Limits

Equity in Employment – We're Committed

and either my manager/People Leader or People and Culture have satisfactorily addressed any queries that I have raised.

Throughout the course of my employment I will ensure that at all times I adhere to the standards and policies required by the National.

I am fully aware that my employment may be reviewed and disciplinary action may be taken should I not adhere to these requirements.

Employee number

Signed

Date