



## **Insider Trading Policy**

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Introduction

## 1.1 Purpose and Objectives

This document sets out the policy of National Australia Bank Limited (**NAB**) regarding NAB Group directors, officers, employees and secondees/ contract-hires engaging in:

- (a) trading in NAB Securities; or
- (b) insider trading.

The objective of this Policy is to ensure that NAB and its representatives not only comply with the law, but are beyond reproach in their dealings in the Securities and Inside Information of NAB and other entities with which NAB deals. This policy prohibits insider trading.

## 1.2 Application

This Policy applies to each director, officer, employee and seconde / contract-hire of NAB and its controlled entities (**NAB Group**). Throughout this document, these people covered by the Policy are referred to collectively as **NAB People**, or individually as a **NAB Person**.

It also extends to the Immediate Family Members of NAB People, and to companies, trusts and entities controlled by them (see section 3.7).

## 1.3 Responsibility and Accountability

Every NAB Person has an individual responsibility to ensure that they comply with the law relating to insider trading and this Policy.

A breach of the law relating to insider trading can have serious consequences, including individual criminal and civil liability. A breach of this Policy will be treated by NAB as serious misconduct, and may lead to disciplinary action, including termination of employment with NAB.

Guidance on the application of this Policy can be obtained from Corporate Centre Legal, the Group General Counsel or the Group Company Secretary.

## 1.4 Other Policies

This Policy is intended to supplement, and does not replace, the following Group Policies:

- Code of Conduct
- Corporate Principles
- Statement of Compliance Standards
- Group and Regional Conflict of Interest policies
- Group and Regional Policies on NAB Distributed Customer Investment Products
- Group Disclosure Policy

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## **2 Principles**

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This section of the Policy outlines the five basic principles of NAB's Insider Trading Policy. Further details as to how these principles are regulated, and the processes and procedures that apply to each, are set out in section 3. Terminology used in this Policy is set out in Section 4.

### **2.1 Compliance with Law**

Every NAB Person is expected and required to comply with the laws on insider trading.

### **2.2 No Short-term Speculative Trading**

NAB People must not engage in speculative short term-trading over NAB Securities.

### **2.3 Black-out Periods**

There are periods during the year, in the lead-up to NAB's half-year and full-year financial reporting, during which NAB People are not permitted to trade in NAB Securities, irrespective of whether or not they are in possession of Inside Information.

### **2.4 Compliance Certificates**

NAB directors, senior executives, and others in special positions of trust within the NAB Group, should take extra care in trading in NAB Securities because of the potential for adverse public perception, even where the individual does not possess Inside Information. These individuals, and their Immediate Family Members and controlled entities, should not be permitted to trade in NAB Securities without first confirming to NAB that they do not possess Inside Information.

### **2.5 Derivatives**

A significant component of the remuneration of NAB directors and senior executives can be in the form of NAB Securities. The use of Derivatives in a way that may distort the proper functioning of performance hurdles relating to the grant of those Securities, or in a way that may distort public reporting of NAB security holdings, is not permitted.

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## 3 Policy Statements, Processes and Procedures

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### 3.1 Compliance with Law

#### 3.1.1 General Prohibition

A NAB Person who possesses Inside Information in relation to the Securities of NAB or any other entity must not do any of the following things:

- (a) apply for, acquire or dispose of those Securities or agree to do so (*Trade*);
- (b) procure, encourage, incite or induce any other person to Trade (*Procure a Trade*); or
- (c) directly or indirectly communicate the Inside Information to any other person who would be likely to Trade or Procure a Trade.

A NAB Person cannot do any of these things either on their own behalf or on behalf of someone else.

#### 3.1.2 What is Inside Information?

Inside Information is information that is:

- (a) not Generally Available; and
- (b) if it were Generally Available, a reasonable person would expect it to have a material effect on the price or value of the relevant Securities.

Non-public price-sensitive information about NAB or any other entity is Inside Information.

Examples of information that might be materially price sensitive include information relating to:

- financial performance (including the reaching or failure to reach consensus or stated forecast earnings targets);
- major acquisition or sale of assets;
- actual or proposed takeover or merger;
- actual or proposed change to capital structure;
- entering into or terminating a material contract; or
- a material claim or other unexpected liability.

More examples of what information might be price sensitive, and therefore Inside Information are provided in the Guidance to NAB's Disclosure Policy.

#### 3.1.3 Not Limited to NAB Information

Inside Information need not relate to the NAB Group. It could be information about a NAB Group customer, or one of its suppliers, or someone with whom NAB is discussing future strategic opportunities.

### 3.2 No Short-term Speculative Trading

A NAB Person must not deal in NAB Securities for short-term gain.

Speculating in short-term fluctuations in NAB's securities does not promote shareholder and market confidence in the integrity of NAB or NAB People. Accordingly, dealing in the same NAB Securities within a 12 month period is prohibited.

This does not restrict the vesting or exercise of NAB Performance Rights or Performance Options and the sale of underlying NAB shares within the same 12-month period. This also does not restrict the sale of NAB shares at the end of a restriction period. However, it does restrict the sale of the NAB shares during any 12-month period within which NAB shares have been purchased.

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For details on the operation of restriction periods, performance hurdles, vesting and exercise requirements, refer to the terms of issue of the relevant NAB Securities.

### 3.3 Black-out Periods

There are certain times during the year, given proximity to the release of NAB Group's financial results, that no NAB Person should trade in NAB Securities. These periods, called Black-out Periods, differ depending upon the seniority and role of a NAB person within the organisation.

#### 3.3.1 Black-out Period for NAB Directors and Designated NAB Employees

For NAB Directors and Designated NAB Employees (see below), the bi-annual Black-out Periods are:

- from 12.01a.m. AEDT on March 1 to 10.00a.m AEDT on the ASX trading day after the day on which NAB's half-year results are released to the ASX; and
- from 12.01a.m. AEDT on September 1 to 10.00a.m AEDT on the ASX trading day after the day on which NAB's full-year results are released.

NAB Directors and Designated NAB Employees must not trade in NAB securities during these Black-out Periods.

The Designated NAB Employees are:

- Group Chief Executive and direct reports;
- Director, Finance and Risk and direct reports;
- all Regional Chief Executive Officers, Chief Financial Officers and their direct reports;
- Group General Counsel;
- Group Company Secretary;
- all NAB People employed or engaged in Group Finance or a Regional Finance function;
- all NAB People employed or engaged in the Group Corporate Centre;
- any other NAB Person or NAB People designated by the Group Company Secretary from time to time for the purposes of this Policy.

It is the individual's responsibility to confirm whether or not he or she is a Designated NAB Employee.

In addition to these Black-out Periods, further restrictions apply to the sale of NAB Securities by NAB Directors and Designated NAB Employees (see section 3.4).

#### 3.3.2 Black-out Period for All Other NAB People

For all other NAB People, the bi-annual Black-out Periods are:

- from 12.01a.m. AEDT on March 31 to 10.00a.m AEDT on the ASX trading day after the day on which NAB's half-year results are released to the ASX; and
- from 12.01a.m. AEDT on September 30 to 10.00a.m AEDT on the ASX trading day after the day on which NAB's full-year results are released.

NAB People must not trade in NAB Securities during these Black-out Periods.

#### 3.3.3 Participation in Share Plans

The Black-out Periods do not restrict participation in NAB share, performance option and performance rights plans but do apply in respect of any subsequent trading of NAB Securities to which NAB People become entitled under those plans.

Performance options and performance rights should only be exercised outside of the Black-out Periods.

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### 3.3.4 Directors' Elections

Directors should give a standing election with respect to the extent, if any, of their participation in NAB's Share Purchase Plans. The election should only be given while a Director does not possess any NAB Inside Information.

Directors should not vary any such election while in possession of NAB Inside Information.

## 3.4 Compliance Certificates

Before any NAB Director or Designated NAB Employee trades in NAB Securities, they must first complete a Compliance Certificate and submit it to their direct manager for acknowledgment and then to the Group Company Secretary or delegate. NAB Directors should provide the completed certificate to the Chairman of the Board or, in the case of the Chairman, to the Group Company Secretary.

NAB Directors and Designated NAB Employees should also submit a Compliance Certificate if they are aware that an Immediate Family Member, or a trust or entity controlled by the NAB Director or a Designated NAB Employee, proposes to trade in NAB Securities. They should take all reasonable steps to prevent the trade occurring unless the Compliance Certificate has been accepted by NAB.

The form of Compliance Certificate is available from the Governance and People pages on our intranet, from the People Advisory Centre, from Computershare or from Group Secretariat. The Certificate is a confirmation from that person that he or she does not possess any Inside Information.

Receipt or acknowledgment of the Certificate by NAB is intended as a compliance monitoring function only, and is not an endorsement of the proposed transaction: individuals remain responsible for their own investment decisions and their compliance with the law.

## 3.5 Derivatives

### 3.5.1 No Derivatives over unvested NAB Securities

NAB shares, performance options and performance rights are granted to NAB People as part of their remuneration. These grants are subject to the satisfaction of various time and/or performance hurdles to ensure alignment of employee rewards with NAB Group objectives and performance.

The use of Derivatives over unvested NAB Securities could distort the proper functioning of these hurdles and reduce the intended alignment between management and shareholder interests.

Accordingly, Derivatives are not permitted to be used in relation to any unvested NAB Securities.

### 3.5.2 Derivatives over vested NAB Securities

If the applicable time and performance hurdles have been satisfied and the relevant Securities have been issued to NAB People in accordance with the terms of the relevant employee plan and are fully vested, then the appropriate use of Derivatives can encourage longer term holding of NAB Securities by its people.

Accordingly, once NAB Securities have vested, Derivatives may be used in relation to those vested securities in the following circumstances:

- to protect the value of an asset supporting a loan taken out for the exercise price of options granted by NAB;
- to protect the value of the Security where the employee has paid or is required to pay a tax liability at the tax cessation time;
- on a case-by-case basis with approval from either the Chairman in relation to Directors or the Group Company Secretary in relation to the Chairman or the Group Chief Executive or his delegate in relation to executives and other staff members.

Further, any use of Derivatives over vested NAB Securities must meet each of the following criteria:

- the Derivative must have a maturity date that falls within the eight-week period that immediately follows the date on which either the half-year or full-year financial results are released to the ASX; and

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- neither the NAB nor any member of the NAB Group can be a counterparty to the Derivative.

The use of Derivatives over vested Securities by NAB Directors and Designated NAB Employees, like any other trading in NAB Securities, must comply with the law and with the Compliance Certificate process described in section 3.4 above.

### **3.5.3 Disclosure**

NAB will publicly disclose all Derivative positions over NAB Securities taken out by a NAB Director. Disclosure will be made within any relevant prescribed period after the time of the Director entering the transaction, and in NAB's Annual Financial Report following the transaction.

NAB will also disclose publicly all Derivative positions over National Securities taken out by Key Management Personnel of NAB or the NAB Group over vested but unexercised employee performance options and performance rights over NAB Securities.

These disclosures will be made irrespective of whether or not the particular form of Derivative technically falls within the disclosure requirements of the ASX Listing Rules or the Corporations Act 2001 (Cth).

## **3.6 Written Exemptions**

In rare and exceptional circumstances, and subject always to compliance with the law, written exemptions may be granted from the operation of this Policy by:

- Chairman of the Board of Directors of NAB;
- Director, Finance and Risk;
- Group Chief Executive or delegate;
- Group General Counsel or delegate; or
- Group Company Secretary or delegate.

## **3.7 Immediate Family and Controlled Entities**

This Policy extends to the Immediate Family Members of NAB People, and to companies, trusts and entities controlled by NAB People.

NAB People must take all reasonable steps to ensure that those people, companies, trusts and entities comply with this Policy. This includes taking all reasonable steps to ensure that they do not trade during the Black-out Period that applies to the NAB Person, and that they complete and submit Compliance Certificates if required for a dealing by the NAB Person. The requirement to submit a Compliance Certificate applies only to the spouse and dependent children of NAB Person (and not other Immediate Family Members), and to companies and trusts and entities controlled by NAB Person.

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## 4 Terminology

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**AEDT** means Australian Eastern Daylight Time.

**ASX** means Australian Stock Exchange.

**Derivatives** has the meaning given in s761D of the Corporations Act 2001 (Cth) and includes options, forward contracts, futures, warrants, swaps, caps and collars.

**Designated NAB Employees** has the meaning given in section 3.3.1.

**Director** means a director of National Australia Bank Limited.

Information is **Generally Available** if it consists of readily observable matter or it has been brought to the attention of investors by an ASX announcement and a period of at least 24 hours has elapsed since the announcement.

**Immediate Family Member** means a family member of a NAB Person who may be expected to influence, or be influenced by, the NAB Person in his or her dealings with Securities. Immediate Family Member may include:

- (a) the NAB Person's partner and children;
- (b) children of the NAB Person's partner; and
- (c) dependants of the NAB Person or the NAB Person's partner.

**Inside Information** has the meaning given in section 3.1.2.

**Key Management Personnel** has the meaning given in the applicable Australian Accounting Standards.

**NAB** means National Australia Bank Limited. **NAB Group** means NAB and its controlled entities.

**NAB Person** means each director, officer, employee and seconde / contract-hire of NAB or of a member of NAB Group and **NAB People** has a corresponding meaning.

**Regional** means in respect of a regional business unit of NAB Group from time to time (currently Australia, New Zealand and the United Kingdom) and includes Institutional Markets and Services.

**Securities** include shares, options, rights, debentures, interests in a managed investment scheme, Derivatives and other financial products covered by s1042A of the Corporations Act 2001 (Cth).

## 5 Governance

### 5.1 Functional Roles and Internal Allocation of Responsibilities

| Function                                       | Roles & Internal Allocation of Responsibilities   |
|--|---|
| Business Units                                 | <ul style="list-style-type: none"> <li>• Ensure all NAB people are made aware of this Policy</li> <li>• Develop appropriate controls to assure compliance</li> <li>• Monitor compliance with this Policy</li> <li>• Deliver appropriate training, education and communication</li> <li>• Report and escalate any breaches or matters requiring disclosure</li> </ul>  |
| Regional Operational Risk and Compliance Teams | <ul style="list-style-type: none"> <li>• Perform an oversight function in terms of the second line of assurance</li> <li>• Provide Operational Risk and Compliance Advice</li> <li>• Follow up with business areas on actions taken to communicate awareness of this Policy</li> <li>• Review regional insider trading policies to ensure alignment with the requirements of this Policy and applicable regional obligations</li> <li>• Monitor and conduct a review of compliance with this Policy</li> <li>• Report and escalate any breaches. Follow up and monitor progress of corrective actions and regulatory reporting obligations</li> <li>• Analyse events to identify trends and systemic risks</li> <li>• Consider changes to policy in line with changes in Regulatory requirements</li> </ul> |
| Group Company Secretariat                      | <ul style="list-style-type: none"> <li>• Policy owner</li> <li>• Policy development &amp; specialist stakeholder engagement, including legal sign-off</li> <li>• Communicate and disseminate this Policy for implementation across Corporate Centre and Regions</li> <li>• Policy maintenance and update (minimum annual review)</li> <li>• Monitor and report on implementation and compliance with this Policy to applicable Executive / Board Committee (s)</li> </ul>   |
| Principal Board                                | <ul style="list-style-type: none"> <li>• Approval of Policy</li> </ul>  |