

Fraud and Corrupt Activities Policy Statement



1 Why we need this policy

Nedbank Group (we, us, our, the group) has zero tolerance for criminal conduct and recognises the importance of managing the risk of criminal offences given the nature of its business. Managing risk effectively enables us to anticipate and respond to changes in our business environment and make informed decisions in times of uncertainty.

Crime threatens the sustainable economic progress of countries and their societies. We support worldwide efforts against bribery and corruption, adhere to anti-bribery and anti-corruption legislation, and have zero tolerance for inappropriate influence, collusion or facilitation that may benefit us or our employees.

2 Policy statement

In line with our policy of zero tolerance, we do not tolerate the:

- commission of any offences in our business; or
- hiding of offences.

Our employees must always act with honesty and integrity in all business dealings and relationships. They must also adhere to anti-bribery and anti-corruption laws wherever we operate, not only because it is the right thing to do, but also to protect our resources and assets, for which our employees are responsible.

To manage the risk posed by the commission of offences or other dishonest acts, we will do the following:

- Investigate all allegations when an offence has been committed and take appropriate action against employees who were involved, including reporting them to the authorities and taking legal action against them.
- Require assessments of key risks and controls associated with these offences to be included in a risk management process in line with our risk frameworks.

3 Where this policy applies

This policy applies to:

- the group (including payroll and non-payroll employees); and
- third parties (including suppliers, agents, consultants, and associated persons).

4 Key principles

4.1 Fraud

4.1.1 Acting with honesty and integrity

We have zero tolerance for any dishonest, improper or illegal act or the hiding of that act. Our employees must always act honestly and with integrity, not only because it is the right thing to do but also to protect our resources and assets (especially our reputation), for which our employees are responsible for.

4.1.2 Conflict of interest

Nedbank employees have a fiduciary duty to act in the best interests of the bank. A conflict of interest has the potential to influence or interfere with one's judgement, independence, objectivity, or ability to perform in line with the employment contract. Nedbank employees must ensure that any outside interest is not in conflict with their fiduciary duties.

4.1.3 Reporting and whistleblowing

If an offence or a dishonest act is known or suspected, it must be reported immediately as outlined in the Code of Ethics and Conduct as well as the Whistleblowing Policy.

If information is given as part of an investigation, that information and investigation must be kept confidential.

4.1.4 Investigation

We will investigate all known or suspected instances of an offence or dishonesty while respecting basic human and constitutional rights.

4.2 Corruption

We must have adequate procedures in place to prevent our employees or persons associated with them from bribing or being bribed, and to prevent Nedbank being prosecuted under:

- section 34A of the Prevention and Combating of Corrupt Activities Act (PRECCA), 12 of 2004; or
- section 7 of the United Kingdom Bribery Act (UKBA), 2010.

4.2.1 Proportionate procedures

We must know who our associated persons are and risk-rate them before we start a relationship with them (entering into agreements with them).

Our procedures for preventing bribery and corruption by associated persons must match the scale and complexity of these activities. The processes must be clear, practical and accessible, and we must implement them effectively.

All our associated persons must be identified and risk-rated prior to any engagement or contract conclusion, i.e. before the onset of the relationship.

Whether our procedures match the risk of bribery or corruption must be determined by the inherent risk created by the level of exposure the group has to bribery or corruption and any controls that are currently in place.

4.2.2 Top-level commitment

Our top-level management must be committed to preventing bribery and corruption by associated persons. They must foster a culture where bribery and corruption are not tolerated.

4.2.3 Risk assessment

We must assess the nature and extent of our exposure to potential external and internal risks of bribery or corruption by associated persons acting on our behalf. We must do so from time to time and in a way that is informed and documented.

4.2.4 Due diligence

We must perform proportionate and risk-based due diligence. This means that the level of due diligence we perform on associated persons must match the level of risk they pose to us.

4.2.5 Communication and training

We must ensure that our anti-bribery and anti-corruption policies and procedures are followed and understood throughout the group by communicating about them both internally and externally and training our employees in a way that is proportionate to the risks.

All employees must receive general awareness training on bribery and corruption, including how to adhere to local and foreign laws that are relevant to the group.

We must provide job-specific bribery and corruption awareness training to employees with a job profile that has a high risk of corruption.

4.2.6 Monitoring and review

We must monitor and review procedures that are designed to prevent bribery by associated persons, making improvements where necessary.

4.2.7 Retention of documents and evidence

We must carefully retain and make available on request documents relating to:

- the identification and risk-rating of and due diligence on associated persons; and
- any further actions that business areas have taken in line with the key principles in section 4 mentioned above.

4.2.8 Engagement with stakeholders

Our employees must always act with integrity and know how they must behave when interacting with certain stakeholders as set out in our Code of Ethics and Conduct.

4.2.9 Other foreign legislation

Our employees must consider the bribery and corruption laws that apply to them based on their nationality or citizenship (for example if they have dual citizenship). We do not allow any bribery, including facilitation payments. We also do not allow the use of charitable donations, sponsorships or direct or indirect contributions to political parties or organisations to be used as a subterfuge for bribery.

4.2.10 Investigation

We must conduct investigations in line with the Nedbank Fraud and Corrupt Activities Policy.

4.2.11 Reporting obligations

Our employees have a duty to report any unethical behaviour, including corruption, immediately through our reporting channels.

If employees know or suspect corruption, they must report it to Group Financial Crime, Forensics and Security and, in appropriate circumstances, escalate the matter to the Chief Risk Officer. The Chief Risk Officer is responsible for reporting to the relevant UK authorities in collaboration with the appropriate employees in the Nedbank London Branch, where appropriate, and may obtain internal and/or external guidance as deemed appropriate.

If an employee wishes to remain anonymous, they can report known or suspected corruption via Tips-offs Anonymous (0800 000 909 or email nedbankgroup@tip-offs.com), an independent reporting line managed by Deloitte on our behalf.

All employees responsible for the investigation and prevention of fraud (whether internal or external) and corruption must, in line with section 34 of PRECCA, report all actual or suspected corruption, fraud, theft, extortion, forgery or uttering (passing on or using a forged document) to the value of R100 000 or more to the South African Police Service.

5 Definitions

Adequate procedures	The United Kingdom Ministry of Justice recommends the following 6 principles as adequate procedures to enable a company to defend itself against prosecution under section 7 of the UK Bribery Act, 2010: Principle 1 – proportionate procedures Principle 2 – top-level commitment Principle 3 – risk assessment Principle 4 – due diligence Principle 5 – communication and training Principle 6 – monitoring and review
Agent	A party who is paid to represent us, including our consultants, contractors, and other advisers whose ability to represent us is established or implied by the terms of their arrangement with a business unit.
Associated person	A person (including corporate entities) who is engaged or paid to represent an entity in the group and can bribe or corrupt another person with the intent to obtain or retain business for Nedbank, or to obtain or retain an advantage in the conduct of business for Nedbank. Their ability to represent is established or implied by

the terms of their arrangement. This could include:

- subsidiaries and controlled entities;
- joint-venture partners;
- advisers;
- distributors;
- contractors;
- agents or intermediaries; and
- suppliers delivering a service for or on our behalf.

Conflict of interest	Means a conflict between an employee's fiduciary (trust) relationship and obligations to Nedbank and an employee's personal interests (including interests of a third party). A conflict of interest also includes abuse of one's position for personal interest or gain. The following types of conflicts of interest may arise: <ul style="list-style-type: none"> • Actual: when there is a conflict of interest (direct or indirect) between an employee's roles and responsibilities at Nedbank and their personal interests. • Potential: when an employee's personal or outside interests could give rise to a conflict of interest in the future. • Perceived: when it could reasonably be believed that there is a conflict of interest, or when there is an appearance of a conflict of interest.
Corruption	The unlawful use of an official position to gain an advantage. It includes the offering, giving, soliciting and accepting of an inducement or reward for doing an act in relation to the exercise, carrying out or performance of the employee's powers, duties, or functions within the scope of their employment relationship. For the purposes of this policy, corruption also has the meaning given in the definition of 'bribery' in the United Kingdom Bribery Act, 2010.
Facilitation payments	Facilitation payments are typically considered under the broader definition of corruption. These payments are also known as a grease payment. It is defined as a payment made to public or government officials to expedite services (routine actions) to which the payer is legally entitled. These payments are illegal under both PRECCA and the UKBA.
Fraud	The unlawful and intentional making of a misrepresentation that causes actual prejudice or could be prejudicial to another. Fraud includes internal and external fraud.
Forgery	The unlawful making, with the intent to defraud, of a false document that causes actual prejudice or could cause prejudicial to another.
Group Financial Crime, Forensics and Security (GFCFS)	A unit that is part of Group Risk and mandated to conduct investigations on behalf of the group of any of the offences described in this policy.
Market abuse	Insider trading; publishing inside information; engaging in any of the prohibited trading practices; or making false, misleading, or deceptive statements, promises and forecasts as defined in Chapter 10 of the Financial Markets Act, 19 of 2012.
Non-payroll employees	This would include contingent workers, supplier resources, statement of work resource and resources supplied by an external vendor.
Offence	Any suspected or actual fraudulent or unlawful act and any form of dishonesty, forgery, theft, corruption, or market abuse, including any common-law or statutory crime of which

	dishonesty is an element and any attempt to conceal these acts.
Payroll employee	Permanent and fixed-term employees as defined in the recruitment policy.
Theft	The unlawful and intentional taking of another's property.
Supplier	A company outside Nedbank that provides a service or commodity to us.