



Markets Research Independence Statement

Overview

National Australia Bank Limited (ABN 12 004 044 937; AFSL 230686) (“**NAB**”) produces “research” within the meaning of the Australian Securities and Investments Commission’s (“**ASIC**”) *Regulatory Guide 264: Sell-side Research* (“**RG 264**”). This Policy Statement is an independence policy for the purposes of RG 264 and applies to all NAB Markets Research personnel.

NAB holds an Australian Financial Services Licence (“**AFSL**”), is regulated by ASIC and is licensed to provide research services to wholesale and retail clients in Australia.

NAB Markets Research (“**Markets Research**”) is an independent business unit within the Corporate and Institutional Banking (“**CIB**”) division of NAB. Markets Research is subject to additional requirements designed to maintain its independence from other areas of CIB, including Sales, Trading and Private Side. These procedures are intended to address actual, potential or perceived conflicts of interest (“**Conflicts**”) arising from the production of research.

Research Coverage

Markets Research issues and distributes research reports in line with NAB’s AFSL in the following coverage areas:

- Economics
- Foreign Exchange
- Fixed Income
- Credit

Markets Research management determines research coverage and content independently from other parts of CIB, including Private Side, Sales and Trading.

Conflicts Management

The nature and scope of NAB’s activities mean that NAB will face actual, potential, or perceived conflicts of interest in the normal course of its business activities, including the issuing and distribution of research reports by Markets Research.

NAB has implemented comprehensive policy frameworks and procedures to identify, assess, and manage conflicts of interest, including those related to Markets Research. These policies and procedures include (but are not limited to)

physical, technological, or organisational arrangements to prevent or control the flow of information and address the risk of these conflicts materialising, protecting the interests of NAB and its customers.

Markets Research personnel must seek approval prior to trading in any security, and Markets Research personnel and their associates must not trade in any securities covered within a research report for a period of at least 24 hours pre and post the publication date of a report.

Supervision, Segregation and Performance

Markets Research personnel are required to provide independent views free from any potential, perceived or actual bias or outside influence. Governance and reporting structures for Markets Research have been implemented to reinforce the independence and impartiality of coverage decisions, research recommendations, research production and distribution. Such measures include:

- Markets Research is not supervised by and does not report to CIB’s Sales, Trading or Private Side personnel.
- Information barriers apply to Markets Research, which include:
 - technological segregation from Private Side personnel to restrict the flow of potential or actual confidential and/or price sensitive information. The electronic platform on which research is prepared is accessible only to Markets Research personnel; and
 - physical segregation from Private Side Personnel in relation to certain designated categories of research material within the Market Research risk matrix, which must be prepared (including discussion and peer review) and disseminated from a designated secure area away from the trading floor and accessible only to Markets Research personnel.
- Where applicable, Markets Research personnel may be subject to information barrier crossings and related restrictions by NAB Compliance when in receipt of material non-public information.
- Markets Research personnel do not participate in efforts to solicit Private Side business, which includes pitches and marketing transactions to prospective or mandated NAB clients.

- Senior Markets Research personnel review applicable research for compliance with regulatory obligations and NAB's policies, and may escalate for further review where required.

Accreditation

Markets Research personnel are AFMA accredited and/or registered with relevant regulatory authorities and are adequately trained to issue research to Australian clients.

Compensation and Funding

The Markets Research compensation process is subject to independent oversight and research analysts' compensation is not tied to CIB's Sales, Trading or Private Side revenue or results. Remuneration received by Markets Research personnel is not linked to the sales and trading of particular securities or products or the profitability of particular product desks or the performance of Private Side business units. Remuneration structures include a base salary and potential to earn an incentive payment based on the performance of Markets Research personnel and NAB's overall performance.

Markets Research funding is not dependent upon CIB's Sales, Trading or Private Side revenue or results. Other areas of CIB have no input into Markets Research's budget and resources.

Production and Distribution of Research Reports

Draft research reports, including content, timing and changes to coverage, are kept confidential from internal and external parties that are not directly involved in the preparation, review, content or distribution of research reports until publication.

Markets Research undertakes a peer review process for research reports prior to publication to ensure compliance with NAB's internal, as well as regulatory, content standards and disclosure requirements.

All research reports are disseminated simultaneously through electronic publication to both NAB clients and other NAB business areas outside of Markets Research.

Research Analyst Declarations

Prior to publication of research, Markets Research analysts primarily responsible for the preparation and content of research reports must complete a declaration that:

- the views expressed in the relevant research report accurately reflect the research analyst's personal views in relation to the subject matter;
- to the best of the research analyst's knowledge, they are not in receipt of inside information and the research does not contain inside information; and
- the research analyst has not received any form of financial or other compensation, and has not otherwise been influenced, in relation to their specific recommendations or views.

Inducement and Pressure

Inducements, including gifts or entertainment, are prohibited where such inducements are intended to, or could reasonably appear as being intended to, influence improper action, or to obtain an improper business advantage, in accordance with NAB's Conflicts of Interest framework.

Markets Research personnel are prohibited from directly or indirectly accepting any inducement or compensation, whether internal or external, for the production of research, including specific ratings or recommendations.

NAB employees are prohibited from exerting pressure, including retaliation or threats of retaliation, against Markets Research personnel in relation to the content of Markets Research reports.

Markets Research personnel must notify Markets Research Management and NAB Compliance where they receive potential or actual pressure from within NAB or external parties related to the content of Markets Research reports.

Transaction-Related Research

Markets Research analysts may be subject to an information barrier crossing to provide research views on certain transactions. Where Markets Research analysts are involved in transaction related research, this will be subject to procedures based on the regulatory guidance as set out in RG 264, including the prohibition on wall-crossed analysts producing research or providing commentary related to the transaction until the information is generally available to the market.

Markets Research Disclaimer

NAB's Markets Research disclaimer is available via [this link](#).