

Background

These standards support Nationwide's Financial Crime Policy and set out Nationwide's approach to gifts & hospitality ('G&H'), including its what's permitted, and timely and accurate recording to ensure Nationwide is not engaging, or perceived to engage, in any corrupt, unethical or inappropriate business activities. This in turn helps to ensure that Nationwide Building Society and its subsidiaries comply with relevant laws and regulations, whilst protecting its members, employees and the market from unnecessary risks. This guide provides a summary of the key requirements and how they apply to third parties.

Minimum Control Standards

Nationwide takes its legal and regulatory obligations regarding Financial Crime, including Bribery & Corruption, seriously, and has a zero tolerance for its employees, associated persons and third parties in engage in such activities.

The giving and receiving of G&H is considered to be a common part of business relationship building, however such activities between third parties and individuals should be fair and even handed and the actions of individuals should never give the impression that they might have been influenced by a gift or other consideration to show favour or disfavour to any person. Individuals should always feel confident that their actions could withstand the test of public scrutiny and would not cause any embarrassment to the Group, themselves or any third party.

For the purposes of these Minimum Control Standards ('Standards'), the following is defined:

'Gift' – any physical item of value (including cash, vouchers and other cash equivalents) however low.

'Hospitality' - any form of entertainment.

Nationwide does not allow the acceptance or offering of:

- Cash, vouchers or any other cash equivalents (such as gift cards) of any value;
- Any donations to political parties of G&H; and
- Solicited gifts for fund raising or charitable purposes.

Nationwide also restricts G&H during activities, such as tendering and contract renewals. Employees are only allowed to accept and/or offer invitations to business meals where there is a clear business rationale.

A breach of these Standards may also be a breach of the Financial Crime Policy. For third parties and associated persons, this could result in a termination of the contractual relationship.

Third-parties must:

- a) Ensure all G&H offered to Nationwide (including its employees/associated persons) are proportionate, appropriate, and not considered lavish in the context of the relationship;
- b) Not use gifts & hospitality has a way to influence (or perceive to influence) a business decision, negotiations or to gain any other advantage;
- c) Be co-operative to the G&H standards that Nationwide, employees and its associated persons are bound to;
- d) Be able to provide information of any G&H received or offered to Nationwide for audit purposes & reconciliation; and
- e) Report to Nationwide any instances that do not comply with these Standards involving Nationwide, its employees and associated persons.

How to comply with these Standards

- a) Ensure relevant staff to the Nationwide relationship are aware of this Standard and are trained appropriately.
- b) Have adequate processes in place, documented and maintained (and evidenced), to prevent bribery & corruption, in respect of the giving and receiving of gifts & hospitality.
- c) Ensure there is a process for all gifts & hospitality, both offered and received, related to Nationwide are documented and these records are readily available to Nationwide for audit and reconciliation purposes.
- d) In instances where there is a breach of this Standard or any relevant concerns, either related to Nationwide, its associated persons or by yourselves, this is reported promptly to Nationwide. This can be done either through your Relationship Owner, or (if not appropriate) through our Whistleblowing channel.

Responsibilities of Senior Relationship Owners

- a) Familiarise themselves with the full Gifts & Hospitality Minimum Control Standards document, which can be obtained via the intranet.
- b) Obtain written commitment that each third party will adhere to the requirements outlined in this document.
- c) Implement appropriate oversight and supervision to satisfy themselves that:
 - i. Relevant processes are carried out in line with the requirements of these standards;
 - ii. The third party is adhering to these standards and are up-to-date with the latest requirements; and
 - iii. All Conduct & Compliance risks associated with the outsourced or procured activities are identified, recorded, mitigated and/or accepted by the Accountable Executive.
- d) Provide regular management information, including the outputs of testing, to Nationwide's Financial Crime Policy Owner/Accountable Executive evidencing how the third party has complied with the policy – at least on an annual basis.
- e) Report any breaches, or issues, related to this Standard, to **AML & ABC Governance and Control** (or through the Whistleblowing channel if appropriate) as soon as reasonably possible.