

Enforcement Policy

Effective June 15, 2015

Policy

It is the policy of NSM to take disciplinary action, up to and including termination, against any person who:

- authorizes or participates, directly or indirectly, in any action that constitutes a violation of applicable laws, regulations, or NSM policies
- fails to promptly report a Compliance Incident or withholds information concerning a Compliance incident of which the employee or agent becomes aware
- supervises a person involved in a Compliance incident to the extent that the circumstances reflect inadequate supervision or lack of appropriate diligence by the supervisor
- attempts to retaliate or participates in retaliation, directly or indirectly, against a person who in good faith reports a Compliance incident or encourages others to do so
- makes a report of a Compliance incident which is known (or should reasonably be known) by the reporting person to be false or misleading
- fails to cooperate fully with NSM's efforts to investigate or otherwise address a Compliance incident

Why do we have this policy?

The purpose of this policy is to clearly outline the consequences of failing to fully comply with NSM's Compliance Program.

Procedure

Consideration. Imposition of disciplinary action is within the sole discretion of NSM and will be made based on consideration of all of the relevant facts and circumstances of a particular situation, including whether a person involved in a Compliance incident promptly reported the matter, the degree of the person's cooperation, and the nature of the person's conduct. However, employees and agents are required to promptly report Compliance incidents and to cooperate with NSM in addressing such matters, and the fact that person fulfills these obligations will not insulate the person from potential disciplinary action.

Legal Actions. In addition to disciplinary action, violations of applicable legal requirements or NSM policies may result in the referral of such misconduct to appropriate governmental authorities for criminal and/or civil prosecution or in legal action by NSM to recover losses or damages caused by such misconduct.

Determination. The Director of Compliance shall recommend appropriate disciplinary actions after consultation with Human Resources, in-house counsel and the Compliance Committee. The final determination regarding disciplinary action will be made by the Vice President of Human Resources in accordance with NSM's personnel policies and may be subject to approval by the President.