



# Fit and Proper Policy

**This Policy is to be read in conjunction with the prescribed Fit and Proper Standard.**

## Policy Details

<b>Title of document</b>	Fit and Proper Policy
<b>Version</b>	2.1
<b>Category of document</b>	Lead Policy
<b>Short description</b>	Fit & Proper Policy applies to the MyState Group in meeting the requirements of APRA CPS520 to determine the fitness and propriety of individuals holding positions of responsibility.
<b>Applicable to</b>	MyState Group
<b>Approval Authority</b>	Board ---- Via ExCo and GNCGC
<b>Responsible Executive</b>	Company Secretary
<b>Subordinate documents</b>	Fit and Proper Standard
<b>Date Approved</b>	May 2020
<b>Next scheduled review date</b>	March 2023

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## 1. Purpose

The purpose of this document is to describe MyState Limited's (MYS) approach to determining the fitness and propriety of individuals who hold positions of responsibility in accordance with the prudent management principles and compliance with the relevant regulatory obligations.

## 2. Scope

This policy applies to MYS and all Group subsidiaries.

MYS for the purpose of this policy equally means MyState Limited and all Group subsidiaries in so far as these companies are required to comply with the Australian Prudential Regulation Authority (APRA) CPS 520 requirements and as Australian Securities and Investments Commission (ASIC) regulated Australian Financial Services (AFSL) and Australian Credit (ACL) licensees.

This policy forms part of MYS's risk management framework and as such relies on a number of other documents to give it operational effect. Accordingly, this policy statement includes references to the following MYS documents:

- *Fit and Proper Standard & Procedures*
- *Whistleblower Protection Policy*

A copy of this Fit and Proper Policy and related Standard must be made available to:

- any person who may be appointed or seeking appointment, to a responsible person position, prior to an assessment of that person's fitness and propriety being conducted;
- APRA, ASIC or other regulatory body as appropriate on request; and
- MYS's Auditors (Internal and External) on request;

The Fit and Proper Policy and Fit and Proper Standard will be published in an accessible form for management referral.

All information collected in relation to making any appointment or assessment of a Responsible Person, including sensitive information, will be obtained under written consent and subject to retention, use and disclosure in accordance with MyState's *Privacy Policy*.

### 3. Key Policy Requirements

The Board is committed to ensuring that the MYS Group:

- Maintains a Fit and Proper policy and associated procedures as part of the Group's risk management framework;
- Assesses the fitness and propriety of responsible persons prior to their initial appointment and thereafter on an annual basis;
- Takes all prudent steps to ensure that a person is not appointed to, or does not continue to hold, a responsible person position for which they are not fit and proper; and
- Takes all reasonable steps to ensure that each responsible person is aware of, and understands their obligations as responsible persons in the context of the Fit and Proper policy, standards and procedures.

This policy shall be reviewed at least every three years or earlier in the event of a material change to the regulatory requirements.

### 4. Delegation

The Board delegates the following in respect of the oversight of this Fit and Proper Policy.

Group Nomination and Corporate Governance Committee (GN&CGC)	<ul style="list-style-type: none"> <li>• Oversight review of the Fit and Proper Policy;</li> <li>• Oversight of Annual Fit and Proper assessments;</li> <li>• Responsibility for determining and making appropriate recommendations to the Board regarding fitness and propriety of persons seeking election/re-election or appointment as a director.</li> </ul>
Group Audit Committee (GAC)	<ul style="list-style-type: none"> <li>• Annual Fit and Proper assessment of MYS External Auditors</li> <li>• MYS Internal Auditor tests the controls established by the Fit and Proper Policy and Standard on a regular basis</li> </ul>
Group Risk Committee (GRC)	<ul style="list-style-type: none"> <li>• MYS's Risk Management Framework includes the Fit and Proper Policy</li> </ul>
Chief Executive Officer (CEO)	<ul style="list-style-type: none"> <li>• Appropriate processes are in place and operating effectively in order to discharge MYS's obligations in respect of the Fit and Proper requirements</li> </ul>

## 5. Responsible Persons

MYS adopts the definition of a responsible person as described in CPS 520 Attachment A which, in the context of the MYS Group, in principle includes the following positions:

- Directors;
- Executive Managers;
- Senior Managers; and
- The External Auditor.

Management shall maintain a register of responsible persons, as updated from time to time, which must include, amongst other things, the date of the most recent fit and proper assessment.

## 6. Fit and Proper Assessment

A fit and proper assessment must be completed before a person is appointed to a responsible person role within MYS. However, an assessment may be completed within 28 days of an appointment if the person is elected by MYS shareholders or is appointed under the direction of APRA.

In accordance with the process specified in the fit and proper standard, a full assessment shall be completed for all responsible persons upon initial appointment to the role and at any time thereafter that MYS deems appropriate. A full assessment shall include:

- a review of professional experience, skills and qualifications relevant to their appointment;
- an assessment of their responses to declarations made in the Personal Information Statement;
- a review and enquiries as determined appropriate into professional references; and
- Federal Police, credit history and bankruptcy checks.

MYS requires that all responsible persons complete a Personal Information Statement on an annual basis in attestation of their ongoing fitness and propriety.

## 7. Disqualified Persons

A 'disqualified person' shall not be appointed to or act in any responsible person position. A disqualified person will fail the fitness and propriety assessment if they have been:

- Deemed a disqualified person as defined by relevant laws;
- Prohibited from being a Director;
- Convicted of an offence involving dishonest conduct, subject to a civil penalty order or is an insolvent person under administration; or
- Found not to be a fit and proper person by APRA, ASIC or any other regulator.

All Responsible Persons must notify the CEO as soon as they become, and no later than 7 days if they become or have grounds to believe they will become, a disqualified person.

## 8. Whistleblowing

In addition to MyState's Whistleblower Protection Policy, and in accordance with CPS 520, any person:

- Who believes that a responsible person does not meet the fit and proper criteria, may notify the Board of that belief;
- Who believes that MYS has not or will not comply with CPS 520 or ASIC licencing for Responsible Persons, may notify APRA or ASIC of their belief and reasons for it; and
- Who held a Responsible Person position may disclose information and provide documents to APRA or ASIC relating to their reasons for resignation, retirement or removal.

MYS will not constrain, impede, restrict or discourage by any means, any person with the belief that CPS 520, this Policy or Standard is not being complied with from contacting the Fit and Proper Officer or APRA/ASIC. Further, it will take all reasonable steps to ensure that no person making these disclosures is threatened with a detriment unless the disclosure or notification was not made in good faith.

## 9. Related regulation

- APRA Prudential Standard CPS 520 Fit and Proper
- Corporations Act 2001 (Cth)
- ASIC Regulatory Guides:
  - RG 104 Licensing: Meeting the General Obligations
  - RG 105 Licensing: Organisational Competence
  - RG 206 Credit Licensing: Competence and Training

## 10. Version Control

<b>Version Number</b>	<b>Date Approved</b>	<b>Brief Description</b>	<b>Change Author</b>	<b>Approver</b>
2.0	16/03/2017	Policy updated under new MYS Policy Framework and includes consideration of amendments to CPS 520 to take effect from 1 July 2017.	Company Secretary	Board
2.1	21/05/2020	Scheduled Policy review. Minor terminology changes only.	Company Secretary	Board