

Fit and Proper Person Policy

1 Policy Statement

Integrity is one of Elders' core values. The fitness and propriety of all Elders' People, and particularly its responsible people, assists to ensure Elders' People behave with integrity. This is critical to Elders' business and reputation.

2 Policy Objectives

The objectives of this Policy are:

- (a) to help uphold integrity as one of Elders' core values;
 - (b) to help protect Elders' assets including its reputation;
 - (c) to help ensure that only competent and values-based people are appointed to any responsible person position.
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3 Policy Scope

This Policy applies to Elders Limited and each of its subsidiaries. Each relevant Elders company is referred to as **Elders** in this Policy.

4 Policy Content

4.1 Summary

This Policy addresses:

- a. the matters to be considered in determining if a person is fit and proper for a responsible person position;
- b. the processes that will be followed in assessing whether a responsible person is fit and proper; and
- c. the actions to be taken if a person is fit and proper for a responsible person position.

4.2 Regulation

Elders, through its subsidiaries, maintains an Australian Financial Services Licence (AFSL) and an Australian Credit Licence (ACL). Accordingly, the following regulatory guidance has been taken into account in the preparation of this Policy:

- i. Regulatory Guide 1: AFS Licensing Kit: Part 1: Applying for and varying an AFS licence (June 2022)
- ii. Regulatory Guide 2: AFS Licensing Kit: Part 2: Preparing your AFS licence or variation application (June 2022).
- iii. Regulatory Guide 105: Licensing: Organisational Competence
- iv. Regulatory Guide 204: Applying for and Varying a Credit Licence (October 2020)
- v. Regulatory Guide 206: Credit Licensing: Competence and training (April 2020)

In addition, APRA's requirements for the fitness and propriety of responsible persons have also been considered in the preparation of this Policy.

As an ASX listed entity, Elders is subject to annual compliance with the ASX Corporate Governance Principles and Recommendations (ASX CGPR). Recommendation 1.2 of the ASX CGPR was considered in the preparation of this Policy.

5. Criteria to Determine if a Responsible Person is Fit and Proper

5.1. General Criteria

Determining whether a person is fit and proper to serve in a responsible person position involves determining whether the person:

- possesses the competence, character, diligence, honesty, integrity and judgement to perform the duties of the responsible person position;
- is not disqualified by law from performing their duties as a responsible person;
- either:

- has no conflict of interest in performing the duties of the responsible person position; or
- any conflict that exists will not create a material risk that the person will fail to perform the duties of the position; and
- has sufficient time available to them to fulfil their responsibilities.

The competence required of each person will depend on that person's role.

5.2. Additional Criteria Applying to Auditors

When determining whether a person is fit and proper to serve as external auditor, in addition to the criteria above, Elders will consider whether the person:

- is registered as an auditor under the Corporations Act 2001;
- has appropriate formal qualifications and is a member of a recognised professional body; and
- is ordinarily resident in Australia.

6. Process for Assessing Fitness and Propriety

6.1. Assessment must be made before appointment

- 6.1.1 Assessment of a person's fitness and propriety must be made before a person is appointed to a responsible person position.
- 6.1.2 A copy of this Policy must be provided by Elders to any person nominated to serve in a responsible person position, prior to the assessment being undertaken.

6.2. Attestations and Verification

- 6.2.1 A person nominated for responsible person position (other than an auditor) must provide the Fit and Proper Attestation in Appendix A.
- 6.2.2 An auditor nominated for responsible person position (other than an auditor) must provide the Fit and Proper Attestation in Appendix C.
- 6.2.3 Elders will verify each attestation by obtaining relevant information about the candidate using the guide set out in Appendix D for an auditor and Appendix B for all other responsible people.

- 6.2.4 The Company Secretary will carry out verification for Elders except where the Company Secretary is the subject of the assessment, in which case the Assistant Company Secretary or the General Manager People, Culture and Safety will conduct the relevant checks.

6.3. Annual Declaration

On an annual basis, each responsible person will be required to declare that he or she remains a fit and proper person.

6.4. Insufficient Information

If insufficient information is available to allow Elders to conclude that the fitness and propriety requirements are met then the criteria are deemed as not having been met.

6.5. Previous Information and/or Assessments

- 6.5.1 Previous assessments and/or information collected for those assessments may, where prudent, be taken into account when making an assessment for fitness and propriety. In determining the weight given to previous assessments and information, consideration will be given to:
- the time since the assessment was made and the information collected;
 - whether the information is still current; and
 - that the criteria used in that assessment were comparable and relevant.
- 6.5.2 Information gathered in support of an application for registration as a company auditor may assist in determining their fitness and propriety as an auditor.
- 6.5.3 If an auditor is an employee or partner of an audit firm, Elders may rely on the fitness and propriety testing of the audit firm in making its assessment of the auditor's fitness and propriety.

6.6. Interim Appointments

Interim appointment to a responsible person position (other than an auditor) may be made without a full fit and proper assessment for a period of up to 90 days provided reasonable steps have been taken to assess the fitness and propriety of the person before the interim appointment. The full assessment must then be taken prior to appointment of the person on a permanent basis.

At a minimum, the attestations in Appendix A will be required for interim appointments.

6.7. Role of the Board

- 6.7.1 The assessment of a person's fitness and propriety to serve as a director on the Elders Board is to be undertaken by the Nomination and Prudential Committee applying this Policy.
- 6.7.2 The Elders Audit, Risk and Compliance Committee and the Elders Board are responsible for the assessment of a person's fitness and propriety to serve as an external auditor.

6.8. Retention of Information

All assessments, and all information obtained in connection with those assessments, must be retained by the Company Secretary for 7 years.

6.9. New Information

If Elders becomes aware of information that might be relevant to an assessment that the person conducting the previous assessment did not know, prompt and reasonable enquiries will be undertaken to determine if a fitness or propriety concern exists.

6.10. Whistleblowing

If a person has information that a responsible person does not meet Elders' Fit and Proper criteria, that person is encouraged to make a report under Elders' Whistleblower Policy.

7. When a Responsible Person is not Fit and Proper for a Responsible Person Position

7.1. Person not fit and proper on initial assessment

Where a person is considered not fit and proper for a responsible person position, Elders or the relevant Elders' subsidiary must ensure that person is not appointed to that position.

7.2. Person ceases to be fit and proper

Where an existing responsible person no longer satisfies the fit and proper requirements Elders or the relevant Elders' subsidiary must take all steps to remove that person from the responsible person position.

A responsible person must be removed from office immediately he or she becomes disqualified from managing corporations under Section 206B of the Corporations Act 2001.

8. Breach of Policy

Any:

1. failure to comply with this Policy; or
2. the failure of any responsible person to meet the standards of fitness and propriety required by this Policy

must be reported to the Elders Board at its next meeting, together with a summary of the corrective action taken (if applicable) to remedy the breach.

9. Policy Review

This Policy is to be reviewed every two years by the Elders Board Nomination and Prudential Committee.

10. Definitions

Responsible person means:

- a director;
- a senior manager;
- a responsible manager (as that term is defined in ASIC's Guidance) ; and
- a person who performs activities Elders or any of its subsidiaries where those activities may or do affect the whole or a substantial part of Elders or its financial standing, whether directly or indirectly.

A person need not be an employee of Elders to be a responsible person.

In addition the principles of this policy will be applied to Elders external auditor notwithstanding they are independent of management and Elders.

A **senior manager** is a person who exercises senior management responsibilities which might materially affect the whole or a substantial part of Elders' business or financial standing. Anybody who does any of the following is a senior manager:

- participating in high-level decision making;
- implementing strategies and enforcing policies approved by the Board;
- developing and implementing processes or systems that identify, assess, manage and monitor risks in relation to business activities and operations; or
- monitoring the appropriateness, adequacy and effectiveness of risk management systems.

Without limiting the positions which are senior manager positions, anyone in the following positions (however titled) is considered a senior manager:

- Chief Executive Officer
- Chief Financial Officer
- Company Secretary
- A member of the Executive Committee

11. Related Policies

This Policy is to be read in conjunction with:

- Code of Conduct
- Resilience Policy
- Whistleblower Policy

12. Document Controls

Distribution	All responsible people
Location	Corporate Governance
File name	Fit and Proper Person Policy
Version	Version 2.2
Version date	July 2022
Required translation	None
Author	Shannon Doecke Assistant Company Secretary 08 8425 4675 Shannon.doecke@elders.com.au
Business owner	Peter Hastings Company Secretary and General Counsel 08 8425 4964 Peter.hastings@elders.com.au

13. Document History

A list of all the revisions and dates of these for each policy. Helpful for context to understand how the policy has changed over time and for context.

Version	Date	Description of version & changes	Changes prepared by	Changes reviewed by	Approval	Date
2.0	May 2019	Complete Rewrite	Peter Hastings	Elders Ltd Board	Elders Ltd Board	13 May 2019
2.1	April 2020	Minor changes	Shannon Doecke	Peter Hastings	Elders Ltd Board	23 April 2020

2.2	April 2022	Changes to address updated regulatory guides	Shannon Doecke	Peter Hastings	Elders Ltd Board	28 July 2022
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Appendix A – Responsible Person Attestation

I attest that I have never:

1. failed to discharge my responsibilities as a director or manager of, or a professional service provider to, a body corporate, statutory body, partnership, trust, or commercial or professional enterprise of any kind (entity) with diligence, honesty, integrity or judgement;
2. been the subject of criticism, discipline, punishment, adverse findings, directions or orders, by a court, tribunal, official inquiry, regulatory agency, complaints handling body, dispute resolution body, or professional or industry body concerning my conduct in relation to:
 - 2.1. the management of an entity; or
 - 2.2. commercial or professional activities;
3. been the subject of administrative, civil or criminal proceedings, or enforcement action, which were determined adversely to me, in any country;
4. been expelled or excluded from, or refused admission to, a professional or industry body, or a clearing house or exchange;
5. been involved with the affairs of an entity that was expelled or excluded from, or refused admission to, a professional or industry body, or a clearing house or exchange;
6. been refused or had restrictions applied to a licence or authorisation required for carrying on a trade, business or profession, or had such a licence or authorisation suspended or cancelled;
7. been involved with the affairs of an entity that was refused a licence or authorisation relating to a commercial or professional activity, or had such a licence or authorisation cancelled;
8. had my appointment terminated, or resigned or been asked to resign, from a position as director or manager of, or professional service provider to, an entity in circumstances which reflected adversely on my competence, character, diligence, honesty, integrity or judgement in discharging my responsibilities in the position;

9. seriously or persistently failed to manage my debts or financial affairs in accordance with contractual or other legal obligations in circumstances where such failure caused loss to others;
10. been, or acted as, a director or manager of, or professional advisor to, an entity that:
 - 10.1. was, or later came to be, insolvent;
 - 10.2. was, or later came to be, under insolvency administration;
 - 10.3. was, or later came to be, under statutory or judicial management; or
 - 10.4. failed to repay, or otherwise failed to meet its financial obligations to, creditors or beneficiaries;
 - 10.5. and engaged in unreasonable or unlawful conduct that caused or contributed to the insolvency, placement under insolvency administration or statutory or judicial management, or failure to repay or otherwise meet obligations to creditors or beneficiaries;
11. contravened any regulatory requirement or professional standard relating to:
 - 11.1. the management of an entity; or
 - 11.2. commercial or professional activities;
12. been unreasonably or improperly obstructive of, or misleading or untruthful in dealing with, a court, tribunal, official inquiry, regulator, complaints handling body, dispute resolution body, or professional or industry body;
13. breached a fiduciary obligation or other legal or professional obligation involving trust or conflict of interest or perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices; or
14. failed to comply with a fit and proper policy of a regulated institution;
15. had any past, present or pending claim made against a professional indemnity (PI) insurance policy in relation to advice I have tendered;
16. been refused PI insurance.

I am not and have not been the subject of any investigations or proceedings that are still current or pending and which may result in disciplinary action being taken in relation to authorisation to carry on a trade, business or profession.

I have not been convicted of an offence, nor had any criminal convictions, in the last 10 years.

I have no conflict of interest that creates a material risk that I will be unable to perform the duties of my role in Elders.

I have received a copy of Elders' Fit and Proper Policy which I have read and understood. I consent to each of Elders and its controlled entities collecting and using sensitive information about me to fulfil its obligations to assess and monitor my fitness and propriety as a responsible person, as required under the Fit and Proper Policy.

Print name

Signature Date

I have the following qualifications to make in relation to my attestation above:

Comments

[Directors and Candidates for Director Only]

I have considered my other commitments and have determined that I have sufficient time available to me to fulfil my responsibilities to Elders.

My existing commitments and approximate time required to fulfil these commitments are:

Appendix B – Responsible Person Review

Introduction

Name of responsible person	
Position of responsible person	
Date Reviewed	
Reviewed by	
Signature of reviewer	
Date Reviewed by Nomination and Prudential Committee	

Comments from reviewer	
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Assessment Results

Ref	Obligation	How is the Obligation Satisfied	Obligation Met (Reviewer's Initials)
1.	The person has demonstrated they are competent for the position.	<ul style="list-style-type: none"> • Work history confirmed by referees • Qualifications sighted and confirmed with issuing institution • Bankruptcy Check from each of the countries resided in for one year or more in the last 10 years*. • Criminal History Check from each of the countries resided in for one year or more in the last 10 years**. • Where relevant (mandatory for all directors and secretaries), ASIC officer searches and searches of relevant equivalent overseas registers • Where relevant, Australian residency status 	
2.	The person has discharged their responsibilities as a director or manager of, or a professional service provider to, an entity, commercial or professional enterprise of any kind with diligence, honesty, integrity and judgement.	<ul style="list-style-type: none"> • Declaration from the person (See Appendix A) • Not included in ASIC banned and disqualified persons register • Not included in APRA banned person register 	
3.	The person has not been the subject of criticism, discipline, punishment, adverse findings, directions or orders, by a court, tribunal, official inquiry, regulatory agency, complaints handling body, dispute resolution body, or professional or industry body concerning the person's conduct in relation to: <ol style="list-style-type: none"> 1. the management of an entity; or 2. commercial or professional activities. 	<ul style="list-style-type: none"> • Declaration from the person (See Appendix A) • Not included in ASIC banned and disqualified persons register • Not included in APRA banned person register • Litigation searches • Reference checking 	
4.	The person has not been the subject of civil or criminal proceedings, or enforcement action, in relation to:	<ul style="list-style-type: none"> • Declaration from the person (See Appendix A) • Not included in ASIC banned and disqualified persons register 	

Ref	Obligation	How is the Obligation Satisfied	Obligation Met (Reviewer's Initials)
	<p>1. the management of an entity; or</p> <p>2. commercial or professional activities;</p> <p>that were determined adversely to the person (including by the person consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct), and which reflected adversely on their competence, character, diligence, honesty, integrity or judgement.</p>	<ul style="list-style-type: none"> • Not included in APRA banned person register • Reference checking 	
5.	The person has not been expelled or excluded from, or refused admission to, a professional or industry body, or a clearing house or exchange.	<ul style="list-style-type: none"> • Declaration from the person (See Appendix A); • Not included in ASIC banned and disqualified persons register; • Not included in APRA banned person register; and • Reference checking with professional industry body, clearing house or exchange that the person is a member and has not been expelled or subject to disciplinary action. 	
6.	The person has not been involved with the affairs of an entity that was expelled or excluded from, or refused admission to, a professional or industry body, or a clearing house or exchange, and the person engaged in conduct which caused or contributed to the entity's expulsion, exclusion or non-admission.	<ul style="list-style-type: none"> • Declaration from the person (See Appendix A); • Not included in ASIC banned and disqualified persons register; • Not included in APRA banned person register; and • Reference checking with professional industry body, clearing house or exchange that the person is a member and has not been expelled or subject to disciplinary action. 	
7.	The person has not been refused a licence or authorisation relating to a commercial or professional activity, or had such a licence or authorisation revoked.	<ul style="list-style-type: none"> • Declaration from the person (See Appendix A); • Not included in ASIC banned and disqualified persons register; • Not included in APRA banned person register; and • Reference checking with professional industry body, clearing house or exchange that the person is a member and has not been expelled or subject to disciplinary action. 	

Ref	Obligation	How is the Obligation Satisfied	Obligation Met (Reviewer's Initials)
8.	The person has not been involved with the affairs of an entity that was refused a licence or authorisation relating to a commercial or professional activity, or had such a licence or authorisation revoked, and the person engaged in conduct that caused or contributed to the refusal or revocation of the licence or authorisation.	<ul style="list-style-type: none"> • Declaration from the person (See Appendix A); • Not included in ASIC banned and disqualified persons register; • Not included in APRA banned person register; and • Reference checking with professional industry body, clearing house or exchange that the person is a member and has not been expelled or subject to disciplinary action. 	
9.	The person has not had their appointment terminated, or resigned or was asked to resign, from a position as director or manager of, or professional service provider to, an entity in circumstances which reflected adversely on their competence, character, diligence, honesty, integrity or judgement in discharging their responsibilities in the position.	<ul style="list-style-type: none"> • Declaration from the person (See Appendix A); • Reference checking with previous employers; • Not included in ASIC banned and disqualified persons register; • Not included in APRA banned person register; and • Reference checking with professional industry body, clearing house or exchange that the person is a member and has not been expelled or subject to disciplinary action. 	
10.	The person has not seriously or persistently failed to manage their debts or financial affairs in accordance with their contractual or other legal obligations in circumstances where such failure caused loss to others.	<ul style="list-style-type: none"> • Declaration from the person (See Appendix A); and • Bankruptcy Check from each of the countries resided in for one year or more in the last 10 years*. 	
11.	The person was not, or has not acted as, a director or manager of or professional advisor to an entity that: <ol style="list-style-type: none"> 1. was, or later came to be, insolvent 2. was, or later came to be, under insolvency administration; 3. was, or later came to be, under statutory or judicial 	<ul style="list-style-type: none"> • Declaration from the person (See Appendix A); • Bankruptcy Check from each of the countries resided in for one year or more in the last 10 years*; • Criminal History Check from each of the countries resided in for one year or more in the last 10 years**; 	

Ref	Obligation	How is the Obligation Satisfied	Obligation Met (Reviewer's Initials)
	management; or 4. failed to repay, or otherwise failed to meet its financial obligations to, creditors or beneficiaries.	<ul style="list-style-type: none"> Not included in ASIC banned and disqualified persons register; and <ul style="list-style-type: none"> Not included in APRA banned person register. 	
12.	The person has not contravened any regulatory requirement or professional standard relating to: <ol style="list-style-type: none"> the management of an entity; or commercial or professional activities. 	<ul style="list-style-type: none"> Declaration from the person (See Appendix A); Validation with former employers; Not included in ASIC banned and disqualified persons register; and <ul style="list-style-type: none"> Not included in APRA banned person register. 	
13.	The person was not unreasonably or improperly obstructive of, or misleading or untruthful in dealing with, a court, tribunal, official inquiry, regulator, complains handling body, dispute resolution body, or professional or industry body.	<ul style="list-style-type: none"> Declaration from the person (See Appendix A); Validation with former employers; Not included in ASIC banned and disqualified persons register; and <ul style="list-style-type: none"> Not included in APRA banned person register. 	
14.	The person has not breached a fiduciary obligation or other legal or professional obligation involving trust or conflict of interest or perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices.	<ul style="list-style-type: none"> Declaration from the person (See Appendix A); Validation with former employers; Not included in ASIC banned and disqualified persons register; and <ul style="list-style-type: none"> Not included in APRA banned person register. 	
15.	The person has not failed to comply with a fit and proper policy of an APRA-regulated institution.	<ul style="list-style-type: none"> Declaration from the person (See Appendix A); Validation with former employers; Not included in ASIC banned and disqualified persons register; and <ul style="list-style-type: none"> Not included in APRA banned person register. 	

Ref	Obligation	How is the Obligation Satisfied	Obligation Met (Reviewer's Initials)
16.	The person has confirmed they have not, or have provided details of, any other name by which they have been known or ever carried on a business.	<ul style="list-style-type: none"> Details of any names advised have been included in the above checks. 	
17.	Independence (for independent non-executive directors only)	<ul style="list-style-type: none"> cross check against supplier, customer, shareholder records 	

* If authorities in the relevant country do not provide bankruptcy checks, a statutory declaration should be obtained from the Responsible Person declaring that he or she has never been bankrupt and detailing the attempt made to obtain a bankruptcy check from the relevant authorities.

**If authorities in the relevant country do not provide criminal history checks, a statutory declaration should be obtained from the Responsible Person declaring that he or she has no criminal history and detailing attempt made to obtain a criminal history check form the relevant authorities.

Appendix C – Auditor Attestation

I hereby confirm the following:

1.1 Fit and proper criteria

- I have the competence, character, diligence, honesty, integrity and judgement to perform properly the duties of the responsible auditor. In particular:
 - I have not demonstrated a lack of willingness to comply with legal, regulatory and professional obligations nor been misleading or obstructive to regulators or the courts.
- I am not disqualified by the Australian Securities and Investment Commission from holding the position of responsible auditor.
- I have no actual or potential conflicts of interest that are likely to influence my ability to carry out the role and functions of the responsible auditor with appropriate probity and competence.

1.2 Responsible auditor criteria

- I am registered as an auditor under the *Corporations Act 2001*.
- I am ordinarily resident in Australia.
- I am a member of the Institute of Chartered Accountants in Australia.
- I have a minimum of 5 years relevant experience as a company auditor.
- I am neither an executive nor a director of the Elders or of a related body corporate.
- I am not an employee of Elders.

Print name

Signature

Date

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Appendix D – Auditor Review

Name of Auditor		
Position of Auditor		
Date Reviewed		
Reviewed by		<i>Signature</i>
Date Reviewed by Audit, Risk and Compliance Committee		
Comments		

Ref	Obligation	How is the Obligation Satisfied	Obligation Met
1.	Must be registered as an auditor under the <i>Corporations Act 2001</i> and be a member of a professional body.	<ul style="list-style-type: none"> • Validate with ASIC registered auditor status • Citing qualifications • Declaration from the Approved Auditor (See Appendix C) • representation from the Auditor's audit firm 	
2.	Must be ordinarily resident in Australia.	<ul style="list-style-type: none"> • Declaration from the Approved Auditor (See Appendix C) • Verifying Australian resident status 	
3.	Is not the Chief Executive Officer nor a director of Elders.	<ul style="list-style-type: none"> • ASIC personal name search 	