

Fitness and Propriety

In order to meet the requirements of the Company's fitness and propriety testing, a director must comply with the following:

- any director or proposed director of the Company must comply with appropriate prudential standards formulated by the Company which reflect APRA's or another specified regulators prudential standards and guidelines (Prudential Criteria);
- any director who does not comply with those Prudential Criteria (or who is the subject of an adverse determination by a specified regulator is disqualified from continuing to hold the office of director;
- limits are imposed on board representation by directors affiliated with any one substantial shareholder to prevent any substantial shareholder from exercising an undue measure of control and influence over the policies or operations of the Company;
- the Nomination and Prudential Committee of the Board formulates, reviews and administers appropriate Prudential Criteria; and
- the key principles of the Prudential Criteria adopted by the Company are that directors and certain senior executives of the Group should be able to meet the following compliance requirements:
 - possess the confidence, character, diligence, honesty, integrity and judgement to perform properly the duties of the responsible person position held;
 - the person is not disqualified under the *Banking Act 1959*, the *Insurance Act 1973* or the *Superannuation Industry (Supervision) Act 1993* from holding their position;
 - the person has either no conflict of interest in performing their duties or if the person has a conflict of interest, it would be prudent for the Company to conclude that the conflict will not create a material risk that the person will fail to perform properly their duties; and
- The person has never:
 - failed to discharge 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;
 - been the subject of justifiable 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 conduct in relation to the management of an entity or commercial or professional activities;
 - been the subject of civil or criminal proceedings, or enforcement action, in relation to the management of an entity or commercial or professional activities.
 - been expelled or excluded from, or refused admission to, a professional or industry body, or a clearing house or exchange;
 - 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;
 - been refused a licence or authorisation relating to a commercial or professional activity, or had such a licence or authorisation revoked;

- 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;
- had their 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 their competence, character, diligence, honesty, integrity or judgement in discharging their responsibilities in the position;
- seriously or persistently failed to manage their debts or financial affairs in accordance with contractual or other legal obligations in circumstances where such failure caused loss to others;
- been, or acted as, a director or manager of, or professional advisor to, an entity that:
 - › was, or later came to be, insolvent;
 - › was, or later came to be, under insolvency administration;
 - › was, or later came to be, under statutory or judicial management; or
 - › failed to repay, or otherwise failed to meet its financial obligations to, creditors or beneficiaries;

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;

- contravened any regulatory requirement or professional standard relating to the management of an entity or commercial or professional activities;
- 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;
- 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
- failed to comply with a fit and proper policy of an APRA-regulated institution