



Dnister Director Nomination Pack 2022

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The following documents are available online: www.dnister.com.au

Dnister Constitution

Fit and Proper and BEAR Policy

Board Corporate Governance Charter



1. 2022 Director Nomination Form



Director 2022 Nomination Form

Dnister Ukrainian Credit Co-operative Ltd
ABN 59 087 651 394 | AFSL / Australian Credit Licence 240673 | BSB 704 235

nominator

I, Membership No
of Postcode
hereby nominate

for the position of Director of Dnister Ukrainian Credit Co-operative Limited.

Signature of Nominator Dated

Contact

Phone	<input type="text"/>	Mobile	<input type="text"/>
Email	<input type="text"/>		

secondar

Name Membership No

Signature of Secondar Dated

Contact

Phone	<input type="text"/>	Mobile	<input type="text"/>
Email	<input type="text"/>		

nominee

I, Membership No
of Postcode

hereby accept the nomination set out above and declare that I satisfy the eligibility requirements for directors contained in a) Dnister's Constitution, b) Dnister's Fit & Proper and BEAR Policy, c) Dnister's Board Corporate Governance Charter, d) Banking Executive Accountability Regime (BEAR), e) Banking Act 1959, f) Corporations Act, and g) Any other relevant criteria as determined by the Board.

Signature of Nominee Dated
Date of Birth

Contact

Phone	<input type="text"/>	Mobile	<input type="text"/>
Email	<input type="text"/>		

Nominations close 12 noon Wednesday 17th August 2022

Please turn over for further important information >

nominee checklist

Nominee to complete / provide the following completed documentation to be eligible for nomination :

- | | | | | | |
|--------------------------|---|--------------------------------|--------------------------|---|-----------------------------------|
| <input type="checkbox"/> | 1 | This Director Nomination Form. | <input type="checkbox"/> | 5 | Conflict of Interest Declaration. |
| <input type="checkbox"/> | 2 | BEAR Accountability Statement. | <input type="checkbox"/> | 6 | B7 Independence Declaration. |
| <input type="checkbox"/> | 3 | B2 Character Attestation. | <input type="checkbox"/> | 7 | Deed of Confidentiality. |
| <input type="checkbox"/> | 4 | B5 Candidate Consent Form. | | | |

Nominee must also provide the following supporting documentation :

- Curriculum Vitae / Resume detailing qualifications, skills and experience.
- Copies of certificates evidencing qualifications.
- Police check and bankruptcy check (if a company director, must include company search and insolvency check) - to be completed by nominee following the instructions provided, expenses will be reimbursed upon successful election and provision of invoice / receipt: www.nationalcrimecheck.com.au
- Statement in support of your election for publication. Not more than 250 words.

documentation provided

Nominee acknowledges the eligibility requirements contained in the following publications :

- | | |
|---|--|
| <input type="checkbox"/> Dnister Constitution | <input type="checkbox"/> Banking Act 1959 - located at www.legislation.gov.au/Details/C2019C00218 |
| <input type="checkbox"/> Dnister Fit & Proper and BEAR Policy | <input type="checkbox"/> Corporations Act - located at www.legislation.gov.au/series/c2018c00424 |
| <input type="checkbox"/> Board Corporate Governance Charter | <input type="checkbox"/> Banking Executive Accountability Regime - located at www.apra.gov.au/banking-executive-accountability-regime |

returning officer

Completed Nomination Documentation should be returned no later than **12 noon Wednesday 17th August 2022**, to:

RETURNING OFFICER

Mr. Chris Dedrick
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

Telephone (03) 9415 5451 / 0478 877 693 or at
Email : votingservices@computershare.com.au



2. 2022 BEAR Information Statement (retain for your records)

Banking Executive Accountability Regime (BEAR) Information Document – Retain for Your Records

1. Background

a. What is the Banking Executive Accountability Regime (BEAR)?

The Banking Executive Accountability Regime (**BEAR**) was introduced in February 2018 with effect from 1 July 2019 and is administered by the Australian Prudential Regulation Authority (APRA). APRA is the prudential regulator for authorised deposit-taking institutions (**ADI's**), which includes Dnister Ukrainian Credit Co-operative Ltd (Dnister). The purpose of the BEAR is to establish clear and heightened expectations of accountability for Directors and senior Executives of ADI's (**Accountable Persons**). The BEAR also sets out key obligations which must be met by ADIs and its Accountable Persons and the consequences where these obligations are not met. A key objective of the BEAR is therefore to improve the operating culture of ADIs by increasing **transparency and accountability** across the banking sector.

The key obligations under the BEAR are to ensure Dnister and its Accountable Persons:

- act with honesty, integrity and with due skill, care and diligence;
- deal with APRA in a way which is open, constructive and cooperative; and
- prevent matters from arising which impact the prudential standing or prudential reputation of Dnister.

b. Who does it apply to?

The BEAR applies to a person, including a senior Executive or Director, that falls within the definition of section 37BA of the Banking Act 1959 and is therefore an Accountable Person for Dnister. The general principle for an Accountable Person under the Act is a person who has actual or effective senior Executive responsibility for management or control of Dnister, or a substantial part of the operations of Dnister.

In accordance with the regime, any person at Dnister must be an Accountable Person if they fall into the following classes of Accountable Persons:

- all Directors of the Board of Dnister;
- individuals with actual or effective senior Executive responsibility for management or control of a significant or substantial part or aspect of the operations of Dnister; and
- individuals with senior Executive responsibility for one of the particular responsibilities specified in the Act.

c. What are the requirements as a Director (Accountable Person)?

Obligation	Comments/Interpretation	Application
Dnister must conduct its business with honesty and integrity, and with due skill, care and diligence	Dnister must take reasonable steps to conduct its business with honesty, integrity, due skill, care and diligence. (The terms “honesty”, “integrity”, “due skill” and “diligence” are not defined under the BEAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable)).	Dnister
Each Accountable Person must act with honesty and integrity, and with due skill, care and diligence	This is an absolute obligation for each Accountable Person to act with honesty, integrity, due skill, care and diligence. (The terms “honesty”, “integrity”, “due skill” and “diligence” are not defined under the BEAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable)).	Each Accountable Person
Dnister must deal with APRA in an open, constructive and cooperative way	Dnister must take reasonable steps to deal with APRA in an open, constructive and cooperative way. (The terms “open”, “constructive” and “cooperative” are not defined under the BEAR and therefore should be	Dnister

Obligation	Comments/Interpretation	Application
	interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable)).	
Each Accountable Person must deal with APRA in an open, constructive and cooperative way	This is an absolute obligation for each Accountable Person to deal with APRA in an open, constructive and cooperative way. (The terms “open”, “constructive” and “cooperative” are not defined under the BEAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable)).	Accountable Persons
In conducting its business Dnister must prevent matters from arising that would adversely affect the Dnister’s prudential standing or prudential reputation	Dnister must take reasonable steps to prevent matters from arising that adversely affect the prudential standing of Dnister.	Dnister
In conducting their responsibilities, Accountable Persons must prevent matters from arising that would adversely affect the prudential standing or prudential reputation of Dnister	Each Accountable Person must take reasonable steps to prevent matters from arising that adversely affect the prudential standing of Dnister. The Accountable Person (as applicable) will be taken to have met this obligation if they can establish, they have taken reasonable steps.	Accountable Persons
Ensure that each of its Accountable Persons meets his or her accountability obligations.	Dnister must take reasonable steps to ensure each Accountable Person: <ul style="list-style-type: none"> acts with honesty and integrity and with due skill, care and diligence; deals with APRA in an open, constructive and cooperative way; and takes reasonable steps in conducting those responsibilities to prevent matters from arising that would adversely affect the prudential standing or prudential reputation of Dnister. 	Dnister

d. What are the specific requirements in relation to remuneration?

Obligation	Comments/Interpretation	Application
Any variable remuneration relating to an Accountable Person must be deferred in accordance with the amount and period prescribed by the BEAR	The variable remuneration obligation applies to variable remuneration which is greater than \$50,000 for a financial year. In addition to deferral of remuneration Dnister must: <ul style="list-style-type: none"> Maintain a Remuneration Policy that complies with the BEAR. Take reasonable steps to ensure that if a variable remuneration becomes payable to an Accountable Person by a subsidiary that is not an ADI, the subsidiary complies with the BEAR.] 	Dnister Accountable Persons

e. What are the consequences of non-compliance with the BEAR?

Serious consequences apply for non-compliance with the BEAR. For Dnister, APRA may apply to the Federal Court of Australia to seek pecuniary civil penalties up to a maximum of 50,000 penalty units or \$10.5m (based on the current value of a penalty unit at \$210) if it breaches its prudential obligations under the accountability regime. For Accountable Persons, in serious cases of non-compliance with accountability obligations, APRA may apply to the Federal Court of

Australia to seek pecuniary civil penalties up to a maximum of 5,000 penalty units or \$1.05m and disqualify that person from being an Accountable Person.

In addition, if Dnister allows a disqualified person to act as an Accountable Person, it will commit a strict liability offence and be liable for a penalty of 60 penalty units or \$12,600. In addition, it may also have committed a fault-based offence and be liable for a penalty of up to 250 penalty units or \$52,500. Accordingly, if an Accountable Person is disqualified by APRA, they will not be permitted to be an Accountable Person for Dnister, which may result in a breach of their employment contract and could result in termination of their employment with Dnister.

A breach of the BEAR obligations will be taken very seriously by Dnister. Therefore, in addition to any consequences which may be applied by APRA for non-compliance with the BEAR obligations, relevant employees of Dnister who do not comply with their BEAR obligations or who have willingly or materially contributed to or caused a breach of Dnister's BEAR obligations, will be subject to disciplinary action being taken by Dnister in accordance with its disciplinary policy and which may include the termination of their employment with Dnister.

2. Requirements for Dnister's AGM Election Process

a. What is the required process?

The required process is outlined as follows:

- Nominations Committee assesses the nominee as required under the Fit & Proper and BEAR Policy and makes recommendation to the Board;
- Board assesses the nominee and if accepted, approves the nominee to proceed with registration as Accountable Person of the Co-operative;
- All new Accountable Persons must then be registered with APRA at least 14 days before they can be appointed as an Accountable Person, and registration must be in the approved form as prescribed by APRA, including the following as a minimum:
 - a completed registration form;
 - the Accountability Statement for the nominated Accountable Person; and
 - a signed declaration that the ADI is satisfied that the person is suitable to be an Accountable Person, which is made by the Chair of the relevant Board committee or a person delegated to sign on the Board's behalf.
- AGM is held and Directors are elected.

As an indicative timeline for the upcoming Director Elections:

- Nominations close as stated in the Advance Notice of Annual General Meeting;
- Nominations Committee meets as soon as practicable after the close of nominations;
- Where the nomination is accepted, the Accountable Person's Registration must be provided to APRA no later than 14 days prior to the Annual General Meeting (AGM);
- AGM is held as stated in the Advance Notice of Annual General Meeting; and
- If the nominee is elected as a Director at the AGM, APRA must be notified of the Director's Appointment as required under Prudential Standard CPS 520 Fit and Proper. ASIC also must be advised of the Director appointment at the same time, or within 14 days of the AGM being completed. Any Director retiring / being replaced will also require removing from the APRA and ASIC registers at this time; or
- If the nominee is unsuccessful, then the Accountable Person's registration with APRA will be withdrawn and no other changes required.

b. What are the implications for nominees?

In effect, a nominee must be accepted and appointed as an Accountable Person, and registered with APRA, at least 14 days prior to the AGM. If the nominee is then elected as a Director at the AGM, their appointment is effective immediately and they are only subject to the rights and obligations of a Director from that point in time.

c. What are the confidentiality requirements?

All communications between APRA and Dnister in relation to Accountable Persons are strictly confidential to those parties.

All communications between Dnister and the nominee are strictly confidential to those parties except for the obligations placed on Dnister to deal with APRA in an open, constructive and cooperative way, which includes relevant disclosures.



3. 2022 BEAR Accountability Statement

Non-Executive Director

Section A: Accountable person details

Name		
Institution	Dnister Ukrainian Credit Co-operative Ltd	
Employer		
Role title	Non-Executive Director	
Role start date	Insert date of AGM	
Effective Date	Commencement date as an accountable person: Insert date of the AGM	Date of this Accountability Statement: Insert date document is signed
Reports to	N/A	
Responsibilities	Particular responsibilities under subsection 37BA (3) of the Act: <i>Responsibility for oversight of Dnister Ukrainian Credit Co-operative Limited as a member of the Board of Dnister Ukrainian Credit Co-operative Limited.</i>	

Section B: Responsibilities of the accountable person

	Area of responsibility	Description of responsibility (subsection 37FA (1)(b) of the Act)	Joint (Y/N)
1	Board's role in providing oversight and approvals	<p>The Accountable Person is responsible for:</p> <ul style="list-style-type: none"> ➤ setting the strategic direction of the Co-operative and approving a business plan which sets the strategic objectives of the Co-operative; ➤ monitoring the effective operation of the Board; ➤ evaluating the performance of the Board and individual directors; ➤ allocating responsibilities to the appropriate employees of the ADI, including in relation to compliance with BEAR; and ➤ ensuring senior management monitor and manage all material risks consistent with the strategic objectives, risk appetite statement and the board approved policies. 	Y
2	Board approval of risk appetite and risk management framework	<p>The Accountable Person is responsible for:</p> <ul style="list-style-type: none"> ➤ developing and approving the Co-operative's risk appetite statement and communicating this clearly to the CEO; ➤ approving the Risk Management Framework; ➤ ensuring the operations structure facilitates effective risk management and sufficient resources are dedicated to risk management; ➤ identifying uncertainties, limitations and assumptions attached to the measurement of each material risk; ➤ ensuring senior management develop and implement appropriate arrangements, systems and controls to enable the Co-operative to appropriately manage risk; and ➤ ensuring the organisation's assets and operations are not exposed to undue risks through appropriate risk management. 	Y
3	Board approval of Capital Adequacy and Internal Capital Adequacy Assessment Process (ICAAP)	<p>The Accountable Person is responsible for establishing and maintaining a policy:</p> <ul style="list-style-type: none"> ➤ regarding capital management for maintaining sufficient capital; ➤ on organisational frameworks and risk limits in relation to capital; and ➤ for assessing, stress testing, monitoring and controlling internal capital adequacy, and the calculation of the capital adequacy ratio. 	Y
4	Board approval and application of the	<p>The Accountable Person is responsible for:</p> <ul style="list-style-type: none"> ➤ approving the Remuneration Policy; 	Y

	Remuneration Policy	<ul style="list-style-type: none"> ➤ developing of policies and procedures for the recruitment and retention of directors and executive-level employees of the Co-operative; and ➤ monitoring the effectiveness and implementation of the Remuneration Policy. 	
5	Board oversight of audit	<p>The Accountable Person is responsible for:</p> <ul style="list-style-type: none"> ➤ ensuring that the Co-operative's audit functions are carried out by the appropriate person (whether internal or external); ➤ establishing an Audit Committee for the review and oversight of matters associated with the ability of the Co-operative to carry out its regulatory strategy; and ➤ monitoring the effective operation of the Audit Committee. 	Y
6	Board oversight of compliance	<p>The Accountable Person is responsible for:</p> <ul style="list-style-type: none"> ➤ approving the Compliance Management Framework and Compliance Policy; ➤ establishing a Risk Committee for the review and oversight of matters associated with risk and compliance activities of the Co-operative; and ➤ monitoring the effective operation of the Risk Committee. 	Y
7	Board oversight on risk culture	<p>The Accountable Person is responsible for:</p> <ul style="list-style-type: none"> ➤ leading the development of the Co-operative's culture by the governing body as a whole, including risk culture; ➤ assessing and forming a view on the risk culture and the extent to which the culture supports the ability of the Co-operative to operate within its risk appetite; and ➤ Identify any desirable changes to the risk culture and communicating to senior management steps which need to be taken to address those changes 	Y

Section C: Limitations and exclusions

There are no limitations or exclusions applicable to this Accountable Person.

Section D: Acknowledgement

I, _____, acknowledge that I have read, understood and accept:

- the areas of accountabilities included in my accountability statement; and
- my obligations as an accountable person under subsection 37CA (1) of the *Banking Act 1959* are to conduct the responsibilities of my position as an accountable person:
 - (a) by acting with honesty and integrity, and with due skill, care and diligence; and
 - (b) by dealing with APRA in an open, constructive and cooperative way; and
 - (c) by taking reasonable steps in conducting those responsibilities to prevent matters from arising that would adversely affect the prudential standing or prudential reputation of **Dnister Ukrainian Credit Co-operative Ltd.**

Signature

Date

Last Review: 30 June 2021

Next review 30 June 2022



4. B2 2022 Character Attestation

Document B 2:

Character Criteria for Fit and Proper Assessment upon election or prior to appointment to a responsible person / accountable person position.

Responsible Officer / Accountable Person Character Attestation Form

I _____ of _____

state that at no time have I:

- Failed to comply, in any material respect, with the Co-operative Constitution, Corporate Governance Charter and Policies, and Director`s code of conduct.
- Failed to discharge with diligence, honesty, integrity, or judgment my responsibilities as a director or manager of, or professional services provider to, a body corporate, statutory body, partnership trust, or commercial enterprise of any kind.
- Been subject to 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 my conduct in relation to:
 - (i) the management of an entity; or
 - (ii) commercial or professional activities.
- Been subject to civil or criminal proceedings, or enforcement actions, in relation to:
 - (i) the management of an entity; or
 - (ii) commercial or professional activities;that were determined adversely against me (this includes my consenting to an order or direction, and to my giving an undertaking not to engage in unlawful or improper conduct) and which reflected adversely on my competence, character, diligence, honesty, integrity or judgement.
- 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 where I engaged in conduct that caused or contributed to the entity`s expulsion, exclusion or non-admission.
- 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 where I engaged in conduct that caused or contributed to the refusal or revocation of the licence or authority.
- Had my appointment terminated, or been asked to resign, from a position as director or manager or professional service provider to an entity in circumstances which reflected adversely on my competence, character, diligence, honesty, integrity, or judgment in discharging my responsibilities in the position.

- Seriously or persistently failed to manage my debts or financial affairs in accordance with my contractual or other legal obligations where this failure caused loss to others.
- Been or acted as a director or manager of, or professional advisor to, an entity that:
 - (i) was, or later came to be, insolvent;
 - (ii) was, or later came to be, under insolvency administration;
 - (iii) was, or later came to be, under statutory or judicial management; or
 - (iv) 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:
 - (i) the management of an entity; or
 - (ii) 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 perpetuated or participated in negligent, deceitful or otherwise discreditable business or professional practices.
- Failed to comply with a fit and proper policy of an APRA-regulated institution.

I further attest that I have never been disqualified from holding a responsible person position under the *Banking Act 1959 (Cth)*.

Signed:

Signature

Date

Witness

Date

Print Witness Name



5. B5 2022 Candidate Consent Form

Document B 5:

Candidate Consent Form

CONSENT FORM REGARDING RECRUITMENT AND REVIEW OF INCUMBENTS FOR RESPONSIBLE PERSON / ACCOUNTABLE PERSON POSITIONS

The Australian Prudential Regulation Authority (APRA) has issued *Prudential Standard CPS 520 Fit and Proper* that requires certain information to be collected about and attested to by candidates for what it terms Responsible Person / Accountable Person Positions. In relation to this information and other information collected by Co-operative about you during its recruitment / election / appointment or review process, Co-operative is required to comply with the *Privacy Act 1988 and Privacy Amendment (Enhancing Privacy Protection) Act 2012* (the Act), which places minimum standards on private sector organisations for the way they collect, use, disclose and store personal information about individuals. Procedures have been implemented within Co-operative to safeguard and protect your personal information at all stages within the process.

To enable us to manage our process effectively and obtain and maintain your details within the guidelines of the Act, we seek your consent to:

1. Collect, review and store your personal information for recruitment and/or assessment of your fitness and propriety to hold a Responsible Person / Accountable Person Position;
2. Complete reference checks based on your nominated referees, if required;
3. Obtain information from professional bodies with which you claim to be affiliated;
4. Obtain information from educational institutions or other training organisations from which you claim to hold qualifications;
5. Hold your résumé for future reference within Co-operative should any other suitable positions arise;
6. Notify APRA of any personal information that it requests or requires in relation to you in accordance with its powers and functions; and
7. Provide a person with a copy of this Consent Form Regarding Recruitment for Responsible Person Positions to assist with any of the above purposes.

I have read and agree to the information above:

Full name: _____

Signed: _____ Date: _____

Please refer to our website, www.dnister.com.au, for further details regarding Co-operative's Privacy & Credit Reporting Policy. If you have any queries regarding the above, you can contact the Chief Executive Officer. Should you not wish for us to retain your details if you are unsuccessful in your application, please notify the Chief Executive Officer and we will delete your information.



6. 2022 - Conflict of Interest Declaration

Conflict of Interest Declaration

TYPES OF CONFLICT OF INTEREST

- **Actual Conflict of Interest:** This involves a direct conflict between an existing private interest, or other public interest and the duties you are required to perform at Dnister.
- **Perceived (or apparent) conflict of interest:** Where it is reasonably perceived by others that a private interest, or other public interest *could* improperly influence your ability to perform your duties at Dnister.
- **Potential Conflict of Interest:** Where the private interest, or other public interest *could* interfere with their duties at Dnister.

PECUNIARY AND NON-PECUNIARY

- **Pecuniary Interest:** This is where the employee/director (or a member of their family, a close associate or a business associate) could generate a financial gain or loss (directly or indirectly) as a consequence of a decision made by a Dnister Committee they are a member of.
- **Non-Pecuniary Interest:** This is where the employee/director (or a member of their family, a close associate or a business associate) could make a decision that could tend towards bias, either favorable or unfavorable, even though there is no financial benefit.

EXAMPLES OF CONFLICT OF INTEREST

- **Shares/interest/Membership/Directorship/Employment in other Financial Institutions, Ukrainian Organizations/Associations & organisations or businesses in general.**
 - Credit Unions
 - Banks
 - Building Societies
 - Mortgage Brokers
 - Insurance Companies
 - Financial Planners
 - Real Estate Agents
 - Renting Dnister Offices
 - Office/Commercial Space similar to Dnister's in vicinity of Premises
 - Ukrainian Elderly People Home
 - Association of Ukrainians Victoria
 - Golf Club and other sport organizations which Dnister sponsors
 - Ukrainian Churches and Schools

Immediate Family Association with any of the above organizations should also be declared. That is spouse, father, mother, brother, sister & children.

Note, that this is not an exhaustive list.

It is your responsibility to declare any conflicts of interest that you are aware of, whether they are actual, perceived or potential conflicts, and inform the company secretary of any new inclusions on this list as you become aware of them. This is to ensure that these conflicts will not create a material risk in performing your duties in the position held.

Accepting or continuing to hold the position entails the following actual, perceived or potential conflict(s) of interest:

1.
2.
3.
4.
5.
6.
7.
8.
9.
10.

I (print name) _____

of _____

declare that these conflicts will not create a material risk that I will not properly perform the duties of the position.

Signed: _____ Date : _____

Witness

Signed: _____ Date : _____

Witness Name (Print) _____



7. B7 2022 Independence Declaration

Document B 7:

Directors Independence Declaration

I _____ of _____ (state)
that I am an independent director, both in appearance and fact, and that there is nothing to my knowledge in
relation to myself or any company of which I am a member or director that could compromise that
independence.

Signed: _____ Date : _____

Witness

Signed: _____ Date : _____

Witness Name (Print) _____



8. 2022 Deed of Confidentiality

Director's Deed of Confidentiality

THIS DEED is made on the _____ day of _____, 20_____

BY: _____

('the Director')

TO: Dnister Ukrainian Credit Co-operative Limited

('the Company')

Confidentiality Undertaking

1. (1) Except as provided in clause 3 or in the course of and in the performance of his or her duties, under compulsion of law or where directed to do so by the Company or the auditors for the time being of the Company, the Director must treat as confidential all information disclosed to the Director, made known to the Director or developed by the Director in the course of or for the purposes of the Director's duties by the Company or in any other position that the Director may occupy in connection with the activities or business of the Company or any subsidiaries of the Company or both.
- (2) Without limiting the generality of sub-clause (1), the confidential information includes computer programs, member lists, the methods of operation, business transactions with members and potential members, the nature and particulars of the accounts of members and potential members of the Company or subsidiaries of the Company or both.

Termination

2. (1) Immediately on termination of the Director's appointment with the Company, the Director must deliver to the Company or subsidiaries of the Company or both, as the case requires, all documents and things in any way relating to the confidential information which are then in the Director's possession.
- (2) The operation of this deed shall survive the termination of the Director's appointment with the Company.

Exclusions

3. The Director is not bound to treat information as confidential under this deed -
 - (a) where such information is generally known within the financial industry;
 - (b) where it would be unconscionable to require the Director to treat such information confidentially, as the term 'unconscionable' is defined in 52A of the Trade Practices Act 1974 (Cath);
 - (c) where it would be an invalid restraint of trade under the law governing this deed to require the Director to treat such information confidentially.

Other Obligations

4. The obligations imposed on the Director under this deed are not to be taken as in any way limiting the obligations that the Director has or would otherwise have at common law or in equity.

Definitions

Words importing the singular include the plural and vice versa.

Words importing the masculine gender include the feminine and neuter gender.

"Person" includes any body corporate.

"Subsidiary" means -

- (a) a subsidiary within the meaning of Corporations Law or that Law as amended or re-enacted from time to time;
- (b) any person nominated in writing by the employer to be a subsidiary for the purposes of this agreement.

SIGNED _____)

by the said _____)

this _____ day of _____ 20 _____)

in the presence of: _____)

DATED _____ 20 _____

BETWEEN:

AND

DNISTER UKRAINIAN CREDIT
CO-OPERATIVE LIMITED



9. Dnister Constitution

CORPORATIONS ACT

CONSTITUTION

of

**DNISTER UKRAINIAN CREDIT CO-OPERATIVE LIMITED
ABN 59 087 651 394**

*This Constitution was adopted by a special resolution of the
Company on the tenth day of December 2000*

(amended 18 November 2001)

(amended 30 November 2003)

(amended 5 November 2006)

(amended 9 November 2008)

(amended 8 November 2009)

(amended 13 November 2011)

(amended 10 November 2013)

(amended 9 November 2014)

(amended 7 November 2021)

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National Credit Union Association Inc.***

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CORPORATIONS ACT**COMPANY LIMITED BY SHARES****CONSTITUTION****OF****DNISTER UKRAINIAN CREDIT CO-OPERATIVE LIMITED****ACN 087 651 394****1. Objects and Preliminary**

1.1 The Company is a financial co-operative and has the following objects:

- (a) to raise funds by subscription, deposit or otherwise, as authorised by *Corporations Act* and *Banking Act 1959* (Cth);
- (b) to apply the funds, subject to the *Corporations Act* and *Banking Act 1959* (Cth) and this Constitution, in providing Financial Accommodation to its Members;
- (c) to encourage savings amongst its Members;
- (d) to promote co-operative enterprise;
- (e) to provide grants, programs and services to its Members to assist them to meet their financial, economic and social needs;
- (f) to promote, encourage and bring about human and social development among individual Members and within the larger community within which Members work and reside or to which they belong; and
- (g) to further the interests of Members and the communities within which they work, live or to which they belong, through co-operation with other credit unions and co-operatives and associations of credit unions and co-operatives, locally and internationally.

1.1 In this Constitution, unless the contrary intention appears:

'ADI' has the same meaning as in the *Banking Act 1959*;

'Alternate Director' means a person appointed as an Alternate Director under **clause 52**;

'APRA' means Australian Prudential Regulation Authority;

'ASIC' means Australian Securities and Investments Commission;

'associate' has the same meaning as in the *Corporations Act*;

'Auditor' means the Company's external auditor;

'ballot paper' also includes where a determination is made pursuant to Schedule 2, 2-7A a vote submitted by a Member electronically using the electronic voting system;

'Board' means the Board of Directors;

'business day' has the same meaning as in the *Corporations Act*;

'Company' means **Dnister Ukrainian Credit Co-Operative Limited ABN 59 087 651 394** and before 1 July 1999 means the credit union of the same name incorporated and formed under the *Financial Institutions Code*;

'Constitution' means the constitution of the Company as amended from time to time;

'Director' includes any person occupying the position of Director of the Company and, where appropriate, includes an Alternate Director;

'Directors' means all or some of the Directors acting as a Board;

'Dnister' means **Dnister Ukrainian Credit Co-operative Limited ABN 59 087 651 394**;

'electronic voting system' means the system approved by an independent Returning Officer and the Directors, which enables Members to submit their vote by means of an electronic or telephonic device;

'Financial Accommodation' means:

- (a) an advance;
- (b) money paid for, on behalf of or at the request of a person (other than by drawing on the person's deposit account with the Company);
- (c) a forbearance to require payment of money owing on any account; and
- (d) a transaction that, in substance effects a loan or is regarded by the parties to the transaction as a loan,

that the Company provides or enters in the ordinary course of its banking business;

'**Fit and Proper Policy**' means the policy adopted by the Directors in relation to the fitness and propriety of Directors, senior managers and auditors required by APRA Prudential Standard 520 or any other prudential standard or law applying from time to time;

'**Member**' means a person whose name is entered for the time being on the Register as the holder of one or more Shares;

'**Membership Share**' means the Membership Shares referred to in **clause 2.2(c)**;

'**New Redeemable Preference Shares**' means Redeemable Preference Shares issued in accordance with **clause 9** after the date of adoption of this Constitution;

'**Nominations Committee**' means the committee established under the Fit and Proper Policy;

'**Office**' means the Company's registered office;

'**Redeemable Preference Shares**' mean Statutory Redeemable Preference Shares, Transitional Redeemable Preference Shares and New Redeemable Preference Shares and Redeemable Preference Shares issued under **clause 9**;

'**Register**' means the Register of Members of the Company;

'**registered address**' means the last known address of a Member as noted in the Register;

'**Representative**' means a person appointed by a Member to act as its Representative under **clause 39** or under section 250D of the *Corporations Act*;

'**Returning Officer**' means an external individual or body corporate;

'**Seal**' means the Company's common Seal (if any);

'**Secretary**' means any person appointed by the Directors to perform any of the duties of a Secretary of the Company and if there are joint Secretaries, any one or more of such joint Secretaries;

'**Shares**' means Shares of the Company including Redeemable Preference Shares;

'**Statutory Redeemable Preference Shares**' means the Redeemable Preference Shares referred to in **clause 2.2(b)**;

'**Transaction**' in **clause 15** in relation to a Member's deposit account with the Company means a debit or credit to the account, other than for:

- (a) the payment of interest by the Company; or
- (b) the charging of a fee by the Company for keeping the account;

'**Transitional Redeemable Preference Shares**' means the shares referred to in **clause 2.3**.

- 1.2 In this Constitution, unless the contrary intention appears:
- (a) the singular includes the plural and vice versa and words importing a gender include other genders;
 - (b) words importing natural persons include corporations;
 - (c) words and expressions defined in the *Corporations Act* have the same meaning in this Constitution;
 - (d) headings are for ease of reference only and do not affect the construction of this Constitution;
 - (e) a reference to the *Corporations Act* is a reference to the *Corporations Act* and the *Corporations Regulations* as modified or amended from time to time;
 - (f) a reference to a statute or regulation includes all amendments, consolidations or replacements of the statute or regulation;
 - (g) a reference to in writing is technology neutral and is a reference to any mode of representing or reproducing information in a tangible and permanently visible form and includes without limitation a communication of information in the form of data, text or images by means of guided and/or unguided electromagnetic energy; and
 - (h) a reference to signing or signature is a reference to any authentication mechanism used to verify, without limitation, the following:
 - (i) the identity of the person to whom the information is communicated and their approval of the information communicated; and
 - (ii) where applicable that the person named in the form or notice consents to the requirement set out in the form or notice.
- 1.4 An expression in a provision of this Constitution has the same meaning as in a provision of the *Corporations Act* that deals with the same matter as the provision, unless the contrary intention appears in this Constitution.
- 1.5 To the extent permitted by law, the replaceable rules in the *Corporations Act* do not apply to the Company.
- 1.6 The adoption of this Constitution is not intended to have any of the effects contemplated in clause 29(1) of schedule 4 of the *Corporations Act*. The occurrence of any of those events is referred to as a 'demutualisation'. If the adoption of any provision of this Constitution results in a demutualisation, then that provision is severed from this Constitution and, to the extent permitted by law, is replaced by such of the provisions of the repealed constitution which was in force immediately before the adoption of this Constitution as is necessary or required so that the adoption of this Constitution does not cause or result in any demutualisation.

ISSUED SHARES

2. Statutory Membership Shares and Statutory Redeemable Preference Shares

- 2.1 Prior to 1 July 1999, the Company was a credit union regulated under the *Financial Institutions Code* with withdrawable shares on issue.
- 2.2 On 1 July 1999, the Company was taken to have become registered as a public company limited by shares under the *Corporations Act* and:
- (a) each person who was a member of the Company immediately before 1 July 1999, became a Member of the Company;
 - (b) all withdrawable shares of the Company on issue immediately before 1 July 1999 became Redeemable Preference Shares of the Company; and
 - (c) any person who was a member of the Company immediately before 1 July 1999 and who did not hold any shares in the Company, was taken to have been issued with a Membership Share on 1 July 1999.
- 2.3 After 1 July 1999 but before the date of adoption of this Constitution, the Company issued to persons becoming Members of the Company, shares in the Company pursuant to regulation 12.8.12 of the *Corporations Regulations*. These shares are called 'Transitional Redeemable Preference Shares'.
- 2.4 Accordingly, the issued Shares of the Company as at the date of adoption of this Constitution comprise:
- (a) Membership Shares;
 - (b) Statutory Redeemable Preference Shares; and
 - (c) Transitional Redeemable Preference Shares.

The Redeemable Preference Shares issued under **clause 9** after the date of adoption of this Constitution are called 'New Redeemable Preference Shares'.

2.5 A Membership Share:

- (a) is taken to have been issued under the *Corporations Act*;
- (b) carries the rights and obligations that were conferred or imposed on the shareholder in a capacity other than that of shareholder by:
 - (i) the Company's rules (as in force immediately before 1 July 1999); and
 - (ii) the previous Financial Institutions Code;
- (c) has no amount paid or unpaid in respect of it;
- (d) is not:

- (i) transferable or transmissible; or
 - (ii) capable of devolution by will or by operation of law; and
 - (e) can be cancelled at the option of the shareholder or the Company in the circumstances in which the member who holds the share could have had their membership of the Company cancelled immediately before 1 July 1999.
- 2.6 Statutory Redeemable Preference Shares, Transitional Redeemable Preference Shares and New Redeemable Preference Shares comprise a single class of shares being Redeemable Preference Shares but have been separately identified in this Constitution to reflect the statutory history and origin of the shares.
- 2.7 A Redeemable Preference Share confers on the holder those rights and obligations conferred or imposed by the *Corporations Act* from time to time except that:
- (a) each share is redeemable on the same terms that a withdrawable share was withdrawable under the *Financial Institutions Code* and the Company's rules prior to 1 July 1999; and
 - (b) the holders of the share continue to have the same rights and obligations that they had or would have had by holding a withdrawable share.
- 2.8 For so long as it is permitted by law, no share certificates will be issued in respect of Membership Shares and Redeemable Preference Shares.

NEW SHARE ISSUES - MEMBERSHIP REQUIREMENTS

3. Eligibility

A person, including a body corporate is only eligible for membership in accordance with this Constitution.

4. Common bond for individuals

- 4.1 A person is only eligible for membership in accordance with this clause.
- 4.2 A person who is a Member when this Constitution becomes the Constitution of the Company continues to be a Member despite the fact that person may not otherwise be eligible for membership under this clause.
- 4.3 A person who is a member of a body corporate, which has validly transferred its engagements to the Company, becomes a Member of the Company upon APRA issuing a certificate confirming the transfer of business.
- 4.4 A person, other than a body corporate, is eligible for membership under any one of the following categories:
- (a) **Community** - a member of the Ukrainian community in Australia including but not limited to organisations which are members or are affiliated with the Federation of Ukrainian Organisations in Australia, or of any other Ukrainian

religious, educational, welfare, sporting, social, academic, philanthropic, business or professional body;

- (b) **Family** - the spouse, parent, child, grandchild, great grandchild, brother, sister, uncle, aunt, niece or nephew of a person admitted to membership under paragraph (a);
- (c) **Depositors and Others** - any person who was a depositor or held an account with or was in receipt of Financial Accommodation from the Company without being a Member of the Company as at 1 July 1999;
- (d) **Approved Person** - a person approved by the Directors who has an affinity with the Company or its Members;
- (e) **Continuing Membership** - a person who is a Member but has ceased to be eligible for membership in accordance with the categories of membership;
- (f) **Transferring Members** - a person who was a member of another ADI that transferred its business and members to the Company under the *Financial Sector (Transfer of Business) Act 1999*.

5. Common bond for bodies corporate

5.1 A body corporate is eligible to be a Member under any of the following categories:

- (a) **Depositors and Borrowers** - the body corporate was a depositor with, held an account with or received financial accommodation from the Company without being a member of the Company as at 1 July 1999;
- (b) **Approved Body Corporate** - the body corporate has an affinity with or is an associate of the Company or its Members and is approved by the Directors;
- (c) **Transferring Members** - the body corporate was a member of another ADI that transferred its business and members to the company under the *Financial Sector (Transfer of Business) Act 1999*.

5.2 A body corporate does not cease to be a Member because the body corporate does not retain, subsequently, eligibility for membership under **clause 5.1**.

6. Admission to membership

The Directors have the power to admit a person to membership provided:

- (a) the person makes written application in a form as required by the Directors. An application for membership may be made by completing an electronic application form, signing it (whether electronically or otherwise) and returning it to the Company;
- (b) the person submits evidence satisfactory to the Directors as to that person's eligibility under this Constitution;

- (c) if the person is an adult - the person subscribes for five (5) Redeemable Preference Shares at an issue price of \$2.00 per share;
- (d) if the person is a minor – the person subscribes for five (5) Redeemable Preference Shares at an issue price of \$2.00 per share and pays in cash an amount equal to 20% of the subscription price for such shares. The provisions in **Schedule 4** apply to minors; and
- (e) the person pays any admission fee.

7. Admission to membership - delegation of power

- (a) The Directors may, by resolution, delegate their power to admit Members to officers of the Company.
- (b) Any delegation must not include authority to:
 - (i) admit persons or bodies corporate on the grounds that they may have an affinity with the Company or its Members;
 - (ii) reject any application for membership. Such applications must be referred to the Directors for consideration; or
 - (iii) further delegate the power to admit Members.
- (c) The delegation must be evidenced by a resolution of the Directors and a copy of that resolution must be given to each delegate.

8. Admission to membership - absolute discretion

The Directors have an absolute discretion in exercising the power to admit members without an obligation to assign a reason for not admitting a person or body corporate as a Member.

9. Issue of New Redeemable Preference Shares

Upon the Directors admitting a person or body corporate to membership, the Directors must:

- (a) issue and allot the Redeemable Preference Shares which shall carry the same rights and obligations as the Statutory Redeemable Preference Shares;
- (b) enter particulars in the Register; and
- (c) give the person or body corporate written notification that their application for membership has been accepted.

10. Trusts not recognised

- 10.1 Except as required by law or as otherwise provided by this Constitution, the Company will not recognise any person or body corporate as holding a Share on trust and the Company

will not recognise any equitable, contingent, future or partial interest or any other right in respect of a Share except the registered holder's absolute right of ownership.

10.2 Subject to the other clauses, this **clause 10** applies even if the Company has notice of the relevant trust, interest or right.

11. Joint holders

11.1 If two or more persons are registered as the holders of a Share, they are taken to hold the Share as joint tenants with benefits of survivorship and the person whose name appears first on the Register is the only joint holder entitled to receive notices from the Company.

11.2 Any one of the joint holders of a Share may give effectual receipts for any return of capital payable to the joint holders.

MEMBERSHIP CEASING

12. Cessation of membership

A person or body corporate ceases to be a Member when:

- (a) that person or body corporate is expelled under **clause 14**;
- (b) that person's or body corporate's membership is cancelled under **clause 15**;
- (c) that person or body corporate redeems their Redeemable Preference Shares from the Company in accordance with **clause 19**;
- (d) the Directors approve an application for cancellation of membership by a holder of a membership share on being satisfied that all Financial Accommodation and other obligations have been discharged;
- (e) that person becomes a bankrupt or, being a body corporate is wound up; or
- (f) that person dies.

13. Cancellation of shares

The Shares of a person or body corporate who ceases to be a Member are cancelled immediately on that person or body corporate ceasing to be a Member.

14. Expulsion

- (a) The Directors may expel a Member on the grounds that the Member:
 - (i) has failed to discharge his, her or its obligations to the Company;
 - (ii) has been guilty of conduct detrimental to the Company; or
 - (iii) has obtained membership by misrepresentation or mistake.

- (b) Before proceedings to consider a resolution to expel a Member, the Directors must give the member 14 day's notice of the proposed resolution.
- (c) At the time the Directors consider the proposed resolution, the Member is entitled:
 - (i) to be present with or without his, her or its legal representative; and
 - (ii) to be heard, either in person or through his, her or its legal representative.
- (d) The Company must pay the expelled Member the amount paid up on that Member's Redeemable Preference Shares after satisfaction of all liabilities and obligations.
- (e) The expelled Member has the right of appeal in accordance with any procedures determined under **clause 70.1**.

15. Dormancy

- (a) The Company may classify a Member's deposit account as a dormant account if:
 - (i) there have been no Transactions in the account for at least 1 year;
 - (ii) the Company has given the Member a written notice stating that, unless the Member gives to the Company a written notice within 1 month stating that the Member wishes the account to remain open, the Company intends to close the account; and
 - (iii) the Company does not receive a written notice from the Member under paragraph (ii).
- (b) The Company may cancel that Member's shares if the Member's only account with the Company is a dormant account.
- (c) The Company may transfer the amount held in a dormant account to a suspense account.
- (d) The Company may charge a Member a fee for keeping an account for the Member in the suspense account but the fee must not be more than the lesser of:
 - (i) the amount held for the person in the suspense account; or
 - (ii) \$10.00 or such other amount determined by the Board from time to time.
- (e) This clause is subject to any law of unclaimed money.

16. Death of a Member

The estate of a deceased Member:

- (a) remains liable to the Company for the amount of any unpaid Financial Accommodation provided by the Company to the deceased Member; and
- (b) retains any entitlements due from the Company.

17. Bankruptcy or winding-up of a Member

The rights and liabilities of Members made bankrupt or wound-up are as provided in the laws relating to bankruptcy and insolvency.

SHARES

18. Ranking of shares

Each Share ranks equally with all other Shares.

19. Repayment of share capital

The Company must repay the amount paid up in respect of a Member's Redeemable Preference Shares if:

- (a) the Member requests it; and
- (b) the Member has repaid all outstanding Financial Accommodation and discharged all other obligations to the Company.

20. Shares not transferable

A Member may not transfer, sell or assign Redeemable Preference Shares but may require such Redeemable Preference Shares to be repaid in accordance with **clause 19**.

21. deleted

GENERAL MEETINGS

22. Convening general meeting

22.1 Any Director may, at any time, convene a general meeting.

- 22.2 (a) A Member may request the Directors to convene a general meeting only in accordance with section 249D of the *Corporations Act*.
- (b) A Member may not convene or join in convening a general meeting except in accordance with section 249E or 249F of the *Corporations Act*.

23. Notice of general meeting

23.1 Subject to the provisions of the Corporations Act allowing general meetings to be held with shorter notice and exempting the Company from the requirement to give notices of meetings of the Company to a particular Member, not less than 30 days written notice of any general meeting personally or by sending it by post to the address of the Member in

the Register of Members or by electronic means (if any) nominated by the Member (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) must be given to Members entitled to vote at the general meeting.

23.2 A notice convening a general meeting:

- (a) must specify the place, date and time of the meeting and, if the meeting is to be held in two or more places, the technology that will be used to facilitate this;
- (b) must state the general nature of the business to be transacted at the meeting;
- (c) if a special resolution is to be proposed at the meeting, must set out an intention to propose the special resolution and state the resolution; and
- (d) may specify a place, facsimile number and electronic address for the purposes of proxy appointment.

23.3 A notice of annual general meeting must state the business to be transacted at the meeting such as:

- (a) the consideration of the annual financial report, Directors' report and Auditor's report;
- (b) the election of Directors;
- (c) the appointment and fixing of the remuneration of the Directors.

23.4 The following documents must accompany the notice of annual general meeting:

- (a) Annual financial report, Directors' report and Auditor's report, but only if an election is positively made by a Member to receive the reports in accordance with section 314 of the Corporations Act.
- (b) Notice of any proposed resolution and proposed special resolution which Members or the Board propose to move at the general meeting, which is/are known at that time, together with the Members' and/or Board statements relating to such proposed resolution/s in not more than 1000 words, which must not be defamatory.
- (c) The documents referred to in **clause 2-7(1)(a), (b), (c) and (d)** of Schedule 2.
- (d) Proxy forms.

23.5 (a) The Directors may postpone or cancel any general meeting whenever they think fit (other than a meeting convened as the result of a request under **clause 22.2**).

(b) The Directors must give notice of the postponement or cancellation to all persons entitled to receive notices from the Company.

- 23.6 The failure or accidental omission to send a notice of a general meeting (including a proxy appointment form) to any Member or the non-receipt of a notice (or form) by any Member does not invalidate the proceedings at or any resolution passed at the general meeting.

PROCEEDINGS AT GENERAL MEETINGS

24. Member

Unless otherwise provided, in **clauses 25, 26, 27, 29**, 'Member' includes a Member present in person or by proxy, attorney or Representative.

25. Quorum

- 25.1 No business may be transacted at a general meeting unless a quorum of Members is present when the meeting proceeds to business.

- 25.2 A quorum is constituted by 25 Members personally present at the meeting.

- 25.3 If a quorum is not present within 30 minutes after the time appointed for a meeting:

if the meeting was convened on the requisition of Members, it is automatically dissolved;
or

in any other case:

- (i) it will stand adjourned to the same time and place seven days after the meeting, or to another day, time and place determined by the Directors; and
- (ii) if at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, it is automatically dissolved.

26. Chairperson

- 26.1 The chairperson, or in the chairperson's absence the deputy chairperson of Directors' meetings will be the chairperson at every meeting of Members.

- 26.2 If:

- (a) there is no chairperson or deputy chairperson; or
- (b) neither the chairperson nor deputy chairperson is present within 15 minutes after the time appointed for holding the meeting; or
- (c) the chairperson and deputy chairperson are unwilling to act as chairperson of the meeting,

the Directors present may elect a chairperson.

- 26.3 If no election is made under **clause 26.2**, then:

the Members may elect one of the Directors present as chairperson; or

- (d) if no Director is present or is willing to take the chair, the Members may elect one of the Members present as chairperson.

26.4 If there is a dispute at a general meeting about a question of procedure, the chairperson may determine the question.

26.5 The standing orders in **Schedule 3** apply to the conduct of debate at a general meeting.

27. Adjournment

27.1 The chairperson of a meeting at which a quorum is present:

- (a) in his or her discretion may adjourn a meeting with the meeting's consent; and
- (b) must adjourn a meeting if the meeting directs him or her to do so.

27.2 An adjourned meeting may take place at a different venue to the initial meeting.

27.3 The only business that can be transacted at an adjourned meeting is the unfinished business of the initial meeting.

27.4 If a general meeting has been adjourned for more than 21 days, at least 3 days written notice (exclusive of the day on which the notice is served or taken to be served and of the day for which notice is given) of the adjourned meeting must be given to Members.

28. Decision of questions

28.1 Subject to the *Corporations Act* in relation to special resolutions, a resolution is carried if a majority of the votes cast on the resolution are in favour of the resolution.

28.2 A resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded in accordance with the *Corporations Act*.

28.3 The chairperson does not have a casting vote in addition to the chairperson's votes as a Member, proxy, attorney or Representative.

28.4 Unless a poll is demanded:

- (a) a declaration by the chairperson that a resolution has been carried, carried by a specified majority, or lost; and
- (b) an entry to that effect in the minutes of the meeting,

are conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against the resolution.

28.5 The demand for a poll may be withdrawn.

28.6 A decision of a general meeting may not be impeached or invalidated on the ground that a person voting at the meeting was not entitled to do so.

29. Taking a poll

- 29.1 A poll will be taken when and in the manner that the chairperson directs.
- 29.2 The result of the poll will be the resolution of the question for which the poll was demanded.
- 29.3 The chairperson may determine any dispute about the admission or rejection of a vote.
- 29.4 The chairperson's determination, if made in good faith, will be final and conclusive.
- 29.5 A poll demanded on the election of the chairperson or the adjournment of a meeting must be taken immediately.
- 29.6 After a poll has been demanded at a meeting, the meeting may continue for the transaction of business other than the question on which the poll was demanded.

VOTES OF MEMBERS

30. Entitlement to vote

A Member's entitlement to vote may not be exercised if:

- (a) in the case of a Member who is a holder of Redeemable Preference Shares, that Member did not hold the required number of Redeemable Preference Shares required to be held under the former rules of the Company or (where the Shares are issued under this Constitution) under **clause 9**, as paid up shares:
- (i) in relation to an annual general meeting, on the day before nominations for election of Directors close; and
 - (ii) in relation to a general meeting, at least seven days before notice of the general meeting is given; and
- (b) in the case of a Member who is the holder of a Membership Share, that Member did not make a deposit of or does not subsequently hold a deposit of the amount required to be tendered under the previous rules of the Company:
- (i) in relation to an annual general meeting, on the day before nominations for election of Directors close; and
 - (ii) in relation to a general meeting, at least seven days before notice of the general meeting is given.

31. Voting Rights

At general meetings:

- (a) each Member may vote by proxy;

- (b) subject to the provisions in this Constitution regarding voting by corporate representative or proxy, on a show of hands or on a poll any Member present either personally or by proxy has one vote, regardless of the number of Shares held.

A Member who is a minor may not vote or hold office in the Company.

32. Joint holders

- 32.1 If two or more joint holders purport to vote, the vote of the joint holder whose name appears first in the Register will be accepted, to the exclusion of the other joint holder or holders.
- 32.2 For the purposes of this clause 32, several executors or administrators of a deceased Member in whose sole name any Shares are registered will be taken to be joint holders of those Shares.

33. Objections

- 33.1 An objection to the qualification of a voter may be raised only at the meeting or adjourned meeting at which the voter tendered their vote.
- 33.2 An objection must be referred to the chairperson of the meeting, whose decision made in good faith is final.
- 33.3 A vote which the chairperson does not disallow pursuant to an objection is valid for all purposes.

34. Votes by operation of law

A person who has satisfied the Directors not less than 24 hours before a general meeting that the person is entitled to a Share by operation of law may exercise all rights attached to the Share in relation to a general meeting, as if the person were the registered holder of the Share.

35. Votes by proxy

- 35.1 If a Member appoints one proxy, that proxy may vote on a show of hands.
- 35.2 A proxy may demand or join in demanding a poll.

36. Instrument appointing proxy

- 36.1 A Member who is entitled to vote at a meeting may appoint one proxy.
- 36.2 A Member who is a natural person may appoint a proxy by a written appointment signed by the appointor or the appointor's attorney duly authorised in writing.
- 36.3 A Member which is a corporation may appoint a proxy by a written appointment executed in accordance with section 127 of the *Corporations Act* or signed by the appointor's attorney duly authorised in writing.

- 36.4 A proxy need not be a Member.
- 36.5 (a) An appointment of a proxy must be in a form approved by the Directors.
- (b) **Schedule 1** sets out a form which will be taken to be approved by the Directors unless they resolve to use a different form.
- 36.6 A proxy may vote or abstain as the proxy chooses except to the extent that an appointment of the proxy indicates the manner in which the proxy will vote on any resolution. The proxy must vote or abstain on a poll or show of hands in accordance with any instructions on the appointment.
- 36.7 A proxy's appointment is valid at an adjourned meeting.

37. Lodgement of proxy

- 37.1 The written appointment of a proxy or attorney must be received by the Company, not less than 48 hours (unless otherwise specified in the notice of meeting to which the proxy relates) before:
- (a) the time for holding the meeting or adjourned meeting at which the appointee proposes to vote; or
- (b) the taking of a poll on which the appointee proposes to vote.
- 37.2 If the appointment purports to be executed under a power of attorney or other authority, then the original document, or an office copy or a certified copy of it, must be forwarded with the appointment.
- 37.3 The Company receives an appointment of a proxy and any power of attorney or other authority under which it was executed when they are received at:
- (a) the Office: by hand, or in a sealed envelope addressed to the returning officer;
- (b) a facsimile number at the Office; or
- (c) a place, facsimile number or electronic address specified for that purpose in the notice of meeting. The electronic address will be that of the returning officer of the Company.
- 37.4 All proxies submitted by Members, shall be opened, witnessed and counted at appointed times before the annual general meeting by a committee comprising the following persons:
- (i) the Company secretary or any other person appointed by the Board; and
- (ii) the returning officer but if the returning officer is not available then the internal auditor.

38. Validity

A vote cast in accordance with an appointment of proxy or power of attorney is valid even if before the vote was cast the appointor:

- (a) died;
- (b) became of unsound mind;
- (c) revoked the proxy or power; or
- (d) transferred the Shares in respect of which the vote was cast,

unless any written notification of the death, unsoundness of mind, revocation or transfer was received by the Company before the relevant meeting or adjourned meeting.

39. Representatives of corporations

- 39.1 Any Member which is a corporation may appoint an individual as its Representative as provided by the *Corporations Act*.
- 39.2 The chairperson of a general meeting may permit a person claiming to be a Representative to exercise his or her powers if a copy of the instrument evidencing his or her appointment is received by the Company as soon as practicable after appointing the Representative and in any event before any general meeting at which the Representative may exercise the rights of the Member.
- 39.3 The appointment of a Representative may set out restrictions on the Representative's powers.

APPOINTMENT AND REMOVAL OF DIRECTORS**40. Number of Directors**

- 40.1 Subject to the *Corporations Act*, the Company may by a special resolution passed at a general meeting increase or reduce the minimum or maximum number of Directors.
- 40.2 Until the Company by special resolution resolves otherwise:
 - (a) until the conclusion of the Annual General Meeting to be held in 2012 there will be nine Directors of the Company; and
 - (b) thereafter until the conclusion of the Annual General meeting to be held in 2013 there shall be eight Directors of the Company; and
 - (c) thereafter there will be seven Directors of the Company.

41. Qualification

A person is not eligible to be a Director if the person:

- (a) is not a Member of the Company; or

- (b) is not the representative of a body corporate Member of the Company; or
- (c) is a minor; or
- (d) is an employee of the Company; or
- (e) is bankrupt, has applied to take the benefit of any law for the relief of bankrupt of insolvent debtors, compounded with his or her creditors, or made an assignment of his or her remuneration for their benefit; or
- (f) is disqualified, prevented or prohibited by the *Corporations Act, Banking Act 1959* or any other law from being or becoming a Director of a body corporate; or
- (g) has been convicted in the last ten years of:
 - (i) an indictable offence in relation to the promotion, formation or management of a body corporate; or
 - (ii) an offence involving fraud or dishonesty; or
 - (iii) is a Member whose voting rights have been suspended under **clause 30**; or
- (h) is not of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy; or
- (i) is in arrears for more than 28 days in relation to money due to the Company; or
- (j) fails to provide all information and consents the Directors reasonably request to determine if the person is of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy or is disqualified or prevented by law from being a Director; or
- (k) is assessed as being not of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy; or
- (l) is a Member who has been admitted to membership by the Directors after 31 December 2000 only on the basis of affinity with the Company or its Members pursuant to **clauses 4.4(d)** or **5.1(b)**.
- (m) is not compliant with, or has been disqualified or rejected by the relevant authority (including APRA) in respect to, any applicable banking accountability legislation in place from time to time, or if the person has not complied with accountability provisions and obligations contained within the Fit & Proper and Banking Executive Accountability Regime Policy.

42. Election of Directors and the appointment and removal of Directors

42.1 The rules in **Schedule 2** apply to the election of Directors.

42.2 The Company may by resolution passed in general meeting:

- (a) remove any Director; and
- (b) appoint another person in the Director's place.

43. Additional and casual Directors

- 43.1 Subject to **clause 41**, the Directors may appoint any person as a Director to fill a casual vacancy or as an addition to the existing Directors but not if that appointment would result in the maximum number of Directors being exceeded.
- 43.2 If a person is appointed by the other Directors as a Director, that person holds office until the conclusion of the Company's next annual general meeting. Subject to the *Corporations Act* and this Constitution that person is eligible to be elected at that annual general meeting as a Director in accordance with this Constitution. If the person is not so elected as a Director, then the person ceases to be a Director of the Company at the end of the annual general meeting.

44. Retirement by rotation and nominations of Directors

- 44.1 At each annual general meeting, either two or three Directors must retire from office.
- 44.2 (a) The Directors to retire by rotation at an annual general meeting are those Directors who have been longest in office since their last election or appointment.
- (b) Directors elected or appointed on the same day may agree among themselves or determine by lot which of them must retire.
- 44.3 A Director must retire from office at the conclusion of the third annual general meeting after the Director was last elected, even if his or her retirement results in more than three Directors retiring from office.
- 44.4 A retiring Director will be eligible for re-election without nomination unless excluded under **clause 41** or in accordance with **Schedule 2**.
- 44.5 A Member is not eligible** for election as a Director at a general meeting unless the Member complies with the rules relating to nominations **set out in Schedule 2**.

45. Period of office

Subject to this Constitution, a Director is elected for a term of three years, commencing at the end of the annual general meeting at which his or her election is announced and ending at the end of the third annual general meeting happening after his or her election. Subject to this clause, a Director will continue to hold office until he or she dies or until his or her office is vacated pursuant to **clause 46**.

46. Vacation of office

The office of a Director immediately becomes vacant if the Director:

- (a) dies;

- (b) ceases to be eligible to be a Director under **clause 41**;
- (c) as a Representative of a body corporate Member of the Company whose eligibility for election to the office was based on being that Representative, ceases to be so eligible;
- (d) is absent from three consecutive ordinary meetings of the Board of Directors without its leave;
- (e) resigns by written notice given to the Board of Directors;
- (f) is three months in arrears in relation to money due to the Company and has failed to make arrangement for payment satisfactory to the Company;
- (g) completes a term of office;
- (h) is prohibited or disqualified by the *Corporations Act, Banking Act 1959* or any other law from holding office or continuing as a Director;
- (i) cannot manage the Company because of his or her mental incapacity and is a person whose estate or property has had a personal representative or trustee appointed to administer it;
- (j) fails to provide all information and consents the Directors reasonably request to determine if the Director is of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy or is disqualified or prevented by law from being a Director;
- (k) is assessed as being not of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy;
- (l) is the subject of a direction under Section 23 of the *Banking Act 1959 (Cth)*; or
- (m) is removed by a resolution of the Company.
- (n) fails to comply with banking accountability legislation in place from time to time, has been disqualified or has been rejected by the relevant authority (including APRA) in respect to banking accountability legislative provisions, or if the Director is found to be in breach of the accountability provisions contained within the Fit & Proper and Banking Executive Accountability Regime Policy.

REMUNERATION OF DIRECTORS

47. Remuneration of Directors

- 47.1 The Directors may be paid as remuneration for their services the aggregate maximum sum from time to time determined by the Company in general meeting, plus legislated superannuation guarantee contribution.
- 47.2 Unless otherwise resolved by the Company in general meeting, the remuneration will be divided between the Directors in such proportion and manner as the Directors agree and, in

default of agreement, equally and the Directors may determine how and when it is to be paid. The remuneration accrues from day to day.

- 47.3 If a Director performs services for the Company which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, then the Company may pay the Director a fixed sum determined by the Directors in addition to or instead of the Director's remuneration under **clause 47.1** and such payments shall be identified in the annual report as pertaining to **clause 47.3**.
- 47.4 In addition to remuneration, the Directors may be paid all reasonable expenses incurred by them in connection with the business of the Company.
- 47.5 The Company may also pay a premium in respect of a contract insuring a person who is or has been a Director against a liability incurred by the person as a Director, except in circumstances prohibited by the *Corporations Act*.

POWERS AND DUTIES OF DIRECTORS

48. Directors to manage Company

- 48.1 The business of the Company is managed by the Directors who may exercise all powers of the Company that this Constitution and the *Corporations Act* do not require to be exercised by the Company in general meeting.
- 48.2 Without limiting the generality of **clause 48.1**, subject to any applicable prudential standards (including standards issued by APRA) the Directors may exercise all the powers of the Company to:
- (a) borrow money;
 - (b) charge any property or business of the Company or all or any of its uncalled capital;
 - (c) issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person; and
 - (d) guarantee or to become liable for the payment of money or the performance of any obligation by or of any other person.
- 48.3 Every Director and other agent officer and employee of the Company must:
- (a) keep secret all aspects of all transactions of the Company, except:
 - (i) to the extent necessary to enable the person to perform his or her duties to the Company;
 - (ii) as required by law; and
 - (iii) when requested to disclose information by the Directors, to the Auditors of the Company or a general meeting of the Company; and

- (b) if requested by the Directors, sign and make a declaration that he or she will not disclose or publish any aspect of any transaction of the Company.

PROCEEDINGS OF DIRECTORS

49. Directors' meetings

- 49.1 A Director may at any time, and the Secretary must on the request of a Director, convene a Directors' meeting.
- 49.2 It is not necessary to give notice of a meeting of the Directors to a Director whom the Secretary, when giving notice to the other Directors, reasonably believes to be outside Australia.
- 49.3
 - (a) Subject to the *Corporations Act*, a Directors' meeting may be held by the Directors communicating with each other by any technological means by which they are able simultaneously to hear each other and to participate in discussion.
 - (b) The Directors need not all be physically present in the same place for a Directors' meeting to be held.
 - (c) A Director who participates in a meeting held in accordance with this **clause 49.3** is taken to be present and entitled to vote at the meeting.
 - (d) A Director can only withdraw his or her consent to the means of communication between Directors proposed for a Director's Meeting if the Director does so at least 48 hours before the meeting,
- 49.4 **Clause 49.3** applies to meetings of Directors' committees as if all committee members were Directors.
- 49.5 The Directors may meet together, adjourn and regulate their meetings as they think fit.
- 49.6 At a meeting of Directors, a quorum is five (5) or a number not less than half of the total number of Directors. If within 30 minutes of the time appointed for a meeting of the Board, a quorum is not present the meeting will stand adjourned to the same day in the next week at the same time and place.
- 49.7 Notice of a meeting of Directors may be given in writing, or the meeting may be otherwise called using any technology consented to by all the Directors.

50. Decision of questions

- 50.1 Subject to this Constitution, questions arising at a meeting of Directors are to be decided by a majority of votes of the Directors present and voting and, subject to this **clause 50**, each Director has one vote.
- 50.2 The chairperson of a meeting does not have a casting vote in addition to his or her deliberative vote if there is an equality of votes.

50.3 Subject to **clause 52**, an Alternate Director has one vote for the Director for whom he or she is an alternate during such Director's absence.

51. Directors' interests

51.1 A Director and any firm, body or entity in which a Director has a direct or indirect interest may in any capacity:

- (a) enter into any contract or arrangement with the Company;
- (b) be appointed to and hold any office or place of profit under the Company, other than the office of Auditor; and
- (c) act in a professional capacity, other than as Auditor, for the Company,

and may receive and retain for his or her own benefit any remuneration, profits or benefits as if he or she were not a Director.

51.2 Each Director must disclose his or her interests to the Company in accordance with the *Corporations Act* and the Secretary must record all declarations in the minutes of the relevant Directors' meeting.

51.3 A Director's failure to make disclosure under this clause does not render void or voidable a contract or arrangement in which the Director has a direct or indirect interest.

51.4 A Director must not vote in respect of a contract or arrangement or proposed contract or arrangement in which the Director has a direct or indirect material interest.

51.5 (a) If the Director does purport to vote, the Director's vote will not be counted.

- (b) The requirement in this **clause 51.5(a)** is in addition to any requirements of the *Corporations Act* in relation to voting by an interested director of a public company.

52. Alternate Directors

52.1 In this clause, unless the context requires otherwise:

- (a) 'alternate' means a person that a Director appoints as his or her Alternate Director under **clause 52.3** but only in the person's capacity as the Alternate Director; and
- (b) 'appointor' means the Director who appoints the alternate under **clause 52.3**

52.2 A person is eligible to be an alternate for a Director if the person:

- (a) is eligible to be a Director under **clause 41**;
- (b) is not a Director; and
- (c) is not an alternate for another Director.

- 52.3 A Director (but not an alternate) may give the Company a notice appointing a person eligible under **clause 52.2** to be his or her alternate. The notice must set out:
- (a) the name of the person to be appointed as alternate;
 - (b) the term of the alternate's appointment (or that the appointment is for an indefinite term); and
 - (c) whether the alternate may exercise all or only some of the appointor's powers during the appointor's absence at Board meetings.

The notice of appointment only takes effect if the Directors approve the alternate's appointment and the alternate gives the Company a signed consent to act as alternate.

- 52.4 The appointor may revoke the alternate's appointment at any time by written notice to the alternate and to the Company.
- 52.5 The alternate may not sign any circulating resolutions.
- 52.6 The alternate is not the appointor's agent, but a Director of the Company. Except as otherwise specified by a Director in accordance with **clause 52.3**, the alternate has all the duties, powers and rights of the appointor as a Director. Except to the extent that this clause provides otherwise, all references to Directors in the Constitution include references to the alternate.
- 52.7 The Company must give notices of Directors' meetings to the alternate.
- 52.8 The alternate may be present at all meetings of Directors.
- 52.9 If the notice of appointment referred to in **clause 52.3** is to the effect that the alternate may exercise the appointor's power to vote, the alternate may vote in the absence of the appointor even on a matter in which the appointor has a material personal interest.
- 52.10 The alternate does not breach his or her duties to the Company by reason of any matter voted on at a meeting at which the alternate did not vote because the appointor was present.
- 52.11 The Company must not provide remuneration to the alternate (in his or her capacity as alternate). However the Company may pay the alternate's travelling and other expenses that he or she reasonably and properly incurs:
- (a) in attending Directors' meetings or any other meetings of committees of Directors; and
 - (b) otherwise in connection with the Company's business.
- 52.12 The Company may pay a premium in respect of a contract insuring an alternate against liability incurred by the alternate as a Director, except in circumstances prohibited by the *Corporations Act*.
- 52.13 The alternate's office automatically becomes vacant if:

- (a) the appointor revokes the alternate's appointment, notwithstanding that the alternate was appointed for a particular term;
- (b) the appointor's office as a Director becomes vacant (except where the appointor's term as a Director ends at the end of an annual general meeting under **clause 45** and members re-elect the appointor as a Director at that annual general meeting); or
- (c) the circumstances set out in **clause 46** arise.

52.14 The Company must give the appropriate notice to ASIC within fourteen (14) days of the appointment or removal of an alternate.

52.15 The term of the alternate shall be reviewed by the Directors after three months and after six months, the alternate's appointment shall cease.

53. Remaining Directors

53.1 The Directors may act even if there are vacancies on the Board.

53.2 If the number of Directors is not sufficient to constitute a quorum at a Directors' meeting, the Directors may act only to:

- (a) appoint a Director; or
- (b) convene a general meeting.

54. Chairperson

54.1 The Directors may elect a Director as chairperson of Directors' meetings and may determine the period for which the chairperson will hold office.

54.2 If no chairperson is elected or if the chairperson is not present at any Directors' meeting within 10 minutes after the time appointed for the meeting to begin, the Directors present must elect a Director to be chairperson of that meeting only.

54.3 The Directors may elect a Director as deputy chairperson to act as chairperson in the chairperson's absence.

55. Directors' committees

55.1 (a) Subject to the Fit and Proper Policy the Directors may delegate any of their powers to a committee or committees.

(b) A committee must include at least one Director.

(c) The Directors may at any time revoke any delegation of power to a committee.

55.2 A committee must exercise its powers in accordance with any directions of the Directors and a power exercised in that way is taken to have been exercised by the Directors.

- 55.3 A committee may be authorised to sub-delegate all or any of the powers for the time being vested in it.
- 55.4 Meetings of any committee will be governed by the provisions of this Constitution which deal with Directors' meetings so far as they are applicable and are not inconsistent with any directions of the Directors.

56. Circulating Resolutions

- 56.1 The Directors may pass a resolution without a Directors' meeting being held if all the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.
- 56.2 Notwithstanding **clause 56.1** the Directors may pass a resolution on urgent matters without a Directors' meeting being held if the resolution has been provided to all Directors and a majority of Directors entitled to vote on the resolution sign a document containing a statement that they approve the resolution, unless a Director requests, in writing, that the proposed resolution be dealt with at a Directors' meeting.
- 56.3 For the purposes of **clauses 56.1** and **56.2**, separate copies of a document may be used for signing by Directors if the wording of the resolution and statement is identical or to the like effect in each copy.
- 56.4 Any document referred to in this clause may be in the form of a facsimile transmission or electronic notification.
- 56.5 The resolution is passed when the chairperson or other Director nominated by a majority of Directors receives the last signed notice.
- 56.6 This clause applies to meetings of Directors' committees as if all members of the committee were Directors.

57. Validity of acts of Directors

If it is discovered that:

- (a) there was a defect in the appointment of a person as a Director, Alternate Director or member of a Directors' committee; or
- (b) a person appointed to one of those positions was disqualified,

all acts of the Directors or the Directors' committee before the discovery was made are as valid as if the person had been duly appointed and was not disqualified.

58. Minutes and Registers

- 58.1 The Directors must cause minutes to be made of:
- (a) the names of the Directors present at all general meetings, Directors' meetings and meetings of Directors' committees;

- (b) all proceedings and resolutions of general meetings, Directors' meetings and meetings of Directors' committees;
- (c) all resolutions passed by the Directors in accordance with **clause 56**;
- (d) all orders made by the Directors and Directors' committees; and
- (e) all disclosures of interests made pursuant to **clause 51**.

58.2 Minutes must be signed by the chairperson of the meeting or by the chairperson of the next meeting of the relevant body, and if so signed will as between the Members be conclusive evidence of the matters stated in such minutes.

59. Appointment of attorneys and agents

59.1 The Directors may from time to time by resolution or power of attorney executed in accordance with section 127 of the *Corporations Act* appoint any person to be the agent or attorney of the Company:

- (a) for the purposes;
- (b) with the powers, authorities and discretions (not exceeding those exercisable by the Directors under this Constitution);
- (c) for the period; and
- (d) subject to the conditions,

determined by the Directors.

59.2 An appointment by the Directors of an attorney or agent of the Company may be made in favour of:

- (a) any company;
- (b) the members, directors, nominees or managers of any company or firm; or
- (c) any fluctuating body of persons whether nominated directly or indirectly by the Directors.

59.3 A power of attorney may contain such provisions for the protection and convenience of persons dealing with an attorney as the Directors think fit.

59.4 The Directors may appoint attorneys or agents in writing to act for and on behalf of the Company.

59.5 An attorney or agent appointed under this **clause 59** may be authorised by the Directors to sub-delegate all or any of the powers authorities and discretions for the time being vested in it.

SECRETARY

60. Secretary

- 60.1 There must be at least one Secretary of the Company appointed by the Directors for a term and at remuneration and on conditions determined by them. The terms of appointment must be consistent with the Fit & Proper and Banking Executive Accountability Regime Policy and any applicable banking accountability legislation in place from time to time.
- 60.2 The Secretary is entitled to attend and be heard on any matter at all Directors' and general meetings.
- 60.3 The Directors may, subject to the terms of the Secretary's employment contract, suspend, remove or dismiss the Secretary.

SEALS

61. Common Seal

If the Company has a Seal:

- (a) the Directors must provide for the safe custody of the Seal;
- (b) the Seal must not be used without the authority of the Directors or a Directors' committee authorised to use the Seal; and
- (c) every document to which the Seal is affixed must be signed by a Director and be countersigned by another Director, the Secretary or another person appointed by the Directors to countersign the document.

INSPECTION OF RECORDS

62. Times for inspection

- 62.1 Except as otherwise required by the *Corporations Act*, the Directors may determine whether and to what extent, and at what times and places and under what conditions, the financial records and other documents of the Company or any of them will be open for inspection by Members other than Directors.
- 62.2 A Member other than a Director does not have the right to inspect any financial records or other documents of the Company unless the Member is authorised to do so by a court order or a resolution of the Directors.

RESERVES

63. Calculation and Distribution of reserves

The Company's profit or loss in any one financial year arising from its operations must be determined and dealt with in accordance with any applicable prudential standards. The Directors must also resolve in each financial year the amount of profit which must be carried to a reserve. Reserves can be used in the business of the Company or can be

distributed on a winding up in accordance with this Constitution. No dividend is payable in respect of any Shares.

NOTICES

64. Service of notices

- 64.1 Notice may be given by the Company to any person who is entitled to notice under this Constitution by:
- (a) serving it on the person;
 - (b) sending it by post, facsimile transmission or electronic notification to the person at the person's address shown in the Register or the address supplied by the person to the Company for sending notices to the person; or
 - (c) if the notice is to a Member and the Member has no registered address, posting it on a notice board at the Office.
- 64.2 A notice sent by post is taken to be served:
- (a) by properly addressing, prepaying and posting a letter containing the notice; and
 - (b) on the third business day after the day on which it was posted.
- 64.3 A notice sent by facsimile transmission or electronic notification is taken to be served:
- (a) by properly addressing the facsimile transmission or electronic notification and transmitting it; and
 - (b) on the day after its despatch.
- 64.4 A notice posted on a notice board is taken to be served 24 hours after it is posted on the board.
- 64.5 A notice may be given by the Company to joint holders by giving the notice to the joint holder whose name appears first in the Register.
- 64.6 Every person who is entitled to a Share by operation of law and who is not registered as the holder of the Share is taken to receive any notice served in accordance with this clause on the person from whom it derives its title.
- 64.7 A Member whose registered address is not in Australia may specify in writing an address in Australia as the Member's registered address within the meaning of this clause.
- 64.8 A certificate in writing signed by a Director, Secretary or other officer of the Company that a document or its envelope or wrapper was addressed and stamped and was posted is conclusive evidence of posting.
- 64.9 Subject to the *Corporations Act* the signature to a written notice given by the Company may be written or printed.

64.10 All notices sent by post outside Australia must be sent by prepaid airmail post.

65. Persons entitled to notice

65.1 Notice of every general meeting must be given:

- (a) subject to **clause 23.1** to every Member entitled to vote at the meeting;
- (b) to every Director and Alternate Director; and
- (c) to any Auditor.

65.2 No other person is entitled to receive notice of a general meeting.

AUDITS AND ACCOUNTS

66. Company to keep accounts

66.1 The Directors must cause the Company to keep written financial records in relation to the business of the Company in accordance with the requirements of the *Corporations Act*.

66.2 The Directors must cause the financial records of the Company to be audited in accordance with the requirements of the *Corporations Act*.

WINDING UP

67. Liability on Winding Up

67.1 Subject to this **clause 67**, on the winding up of the Company:

- (a) a Member's liability is limited to the amount unpaid in relation to the Member's contractual obligations with the Company; and
- (b) the liability of a holder of Statutory Redeemable Preference Shares extends to the amount unpaid in relation to those shares.

67.2 Any deposit paid by the holder of a Membership Share for the purposes of becoming a Member of the Company held by the Company at the date of commencement of any winding up will be subordinated to the claims of other creditors.

68. Surplus

On a winding up, Members are entitled to participate in any surplus equally and without regard to the number of Shares held by any Member. In the case of a voluntary winding up, the Members at the time they resolve to wind up the Company may resolve that any surplus be transferred to any Company which has a mutual structure in accordance with any current policy of ASIC or APRA.

PAYMENTS BY THE COMPANY

69. Indemnity and Insurance

- 69.1 To the extent permitted by law and that the officer or Auditor is not indemnified by directors' and officers' liability insurance maintained by the Company, the Company indemnifies every person who is or has been an officer or Auditor of the Company against any liability:
- (a) incurred by that person as such an officer or Auditor to another person other than the Company or a related body corporate of the Company unless the liability arises out of conduct involving a lack of good faith; and
 - (b) for costs and expenses incurred by the person as such an officer or Auditor:
 - (i) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or
 - (ii) in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Law.
- 69.2 The Company may pay or agree to pay a premium in respect of a contract insuring a person who is or has been an officer or Auditor of the Company against a liability:
- (a) incurred by the person as such an officer or Auditor unless the liability arises out of conduct involving:
 - (i) a wilful breach of duty in relation to the Company; or
 - (ii) without limiting **subparagraph (i)**, a contravention of sections 182 or 183 of the *Corporations Act*; or
 - (b) for costs and expenses incurred by the person as such an officer or Auditor in defending proceedings, whether civil or criminal and whatever their outcome.

GENERAL

70. Dispute Resolution

- 70.1 The Directors must appoint a person to settle disputes between the Company and Member (in the capacity as a Member), and establish procedures for the settlement of such disputes.
- 70.2 A dispute between the Company and a Member (in the capacity as a Member) if not settled by the Company's internal procedures, will be settled by arbitration in accordance with the *Commercial Arbitration Act 2011 (Vic)* as amended from time to time or by some other external dispute settling person or body acceptable to both parties. If the *Commercial Arbitration Act 2011 (Vic)* is repealed, the Directors may adopt (and amend from time to time) an alternative dispute resolution policy.

70.3 Nothing in **clause 70** shall apply to any dispute as to the construction or effect of the *Corporations Act* or of any mortgage or of any contract contained in any document other than this Constitution.

70.4 For the purposes of **clause 70**:

- (a) 'Company' includes the Directors and any officer of the Company;
- (b) 'Member' includes:
 - (i) any person aggrieved who has not for more than three months ceased to be a Member; and
 - (ii) any person claiming by or through a Member or by or through a person referred to in (i) above.

71. Fines and Forfeiture

Unless expressly provided by any other clause of the Constitution, no Member is liable to any fine or forfeiture other than as may be imposed by law.

72. Fees and Charges

- 72.1 (a) The Directors may from time to time:
- (i) determine fees and charges for any one service and/or product provided by the Company; and
 - (ii) recoup in full or in part, fees, charges, taxes, levies and duties.
- (b) The Board must cause notice of its determinations under **clause 72** to be published at regular intervals to Members and to be displayed at all offices of the Company.
- 72.2 If the Company is prepared to or required by the *Corporations Act* to provide a person with a copy of any Company document or part thereof on request, the Company may charge such fee for the provision of the document as the Directors from time to time determine in their absolute discretion, and if there is a maximum fee prescribed for such provision, an amount not exceeding that prescribed amount.

73. Financial Assistance Fund

- 73.1 There shall be a Financial Assistance Fund ('Fund') to be administered by the Directors, for the provision of financial assistance to its Members in accordance with the policy guidelines developed by the Directors from time to time.
- 73.2 By a resolution of the Directors, a sum may be transferred to the Fund from the interest income received from loans and overdrafts during the financial year, but shall not exceed the amount paid from the Fund during that year, adjusted for any proportional increase or decrease in membership of the Company.

74. Transfer of Business

The Directors shall not:-

- (a) sell or dispose of the business of the Credit Union to another ADI or effect a reconstruction of the Credit Union as provided in Section 63 of the *Banking Act 1959 (Cth)*; or
- (b) undertake or accept a transfer of business with another ADI as provided in the *Financial Sector (Transfers of Business) Act 1999 (Cth)*

unless authorised by a special resolution at a general meeting of Members or directed by APRA.

75. Sale of 902-912 Mount Alexander Road, Essendon

The Directors shall not sell or transfer the property situated at 902-912 Mount Alexander Road, Essendon or the adjoining Willow Street car parking facility unless approved by a special resolution at a general meeting of Members or directed by APRA.

76. Securitisation

The Directors shall not enter into a securitisation program involving the pooling in a special purpose vehicle in any financial year of more than 50% of the value of the loans as at the end of the immediately preceding financial year unless approved by a resolution at a general meeting of Members.

SCHEDULE 1

DNISTER UKRAINIAN CREDIT CO-OPERATIVE LIMITED (DNISTER)

ABN 59 087 651 394

Right to Vote by Proxy at General Meetings

If you cannot or do not wish to attend and vote at the general meeting of Dnister on the
....., at commencing at and at any
adjournment thereof, you may appoint a person to attend and vote as your proxy at the meeting. If
you wish to appoint a proxy, please complete and return this Proxy Form, (and any power of
attorney or other authority under which this Proxy Form is signed), so that it is received at the
registered office of Dnister by personal delivery or mail by *no later than 5.00pm on the*
, being not later than 48 hours before the meeting. Late proxies will be disregarded. Your proxy
need not be a member of Dnister.

PROXY FORM

**The Secretary
Dnister Ukrainian Credit Co-op Limited
912 Mt Alexander Road
ESSENDON VICTORIA 3040**

I.....(please print)

of..... (my phone no.....optional)
(please print)

being a member of Dnister, APPOINT:

the Chairman
of the
meeting
(mark box
with an 'X')

OR

Write in the box to the
left the name of the
person you are
appointing if this
person is someone
other than the
Chairman of the
Meeting.

**AS MY PROXY to attend and vote on my behalf at the general meeting of Dnister on the
..... and any adjournment thereof.**

*If you wish to DIRECT your proxy to vote "FOR", "AGAINST" or "ABSTAIN" on any particular item of
business, please mark the appropriate box with X. If you do not instruct your proxy how to vote on a
particular item of business, your proxy may vote as the proxy thinks fit or may abstain from voting.*

I DIRECT my proxy to vote in respect of items of business specified hereunder as follows:

ITEM OF BUSINESS	DESCRIPTION	FOR	AGAINST	ABSTAIN
Resolution 1		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This proxy must be dated and signed ON THE REVERSE SIDE OF THIS FORM by the member or the member's attorney

and I DIRECT my proxy to vote as my proxy sees fit in respect to any other general business conducted at the general meeting.

Please Note:

- (i) *A member who is entitled to vote at the meeting, may appoint 1 proxy.*
- (ii) *A proxy given by a member company must be executed in accordance with Sec 127 of the Corporations Act or signed by an authorised officer or attorney.*
- (iii) *A proxy given by an un-incorporated member organisation, must be given by authority of that organisation and should be signed by its president and secretary.*
- (iv) *If you mark the abstain box for a particular item of business, you are directing your proxy not to vote on your behalf on a show of hands or on a poll in relation to such item of business and your vote will not be counted when determining the required majority on a poll for such item of business.*
- (v) *If you require an additional proxy form, Dnister will supply it on request.*

DATED.....20 .

If you forget to date your proxy, Dnister will date it with the date on which the envelope containing the Proxy Form is received and opened at Dnister's office.

IF APPOINTOR IS AN INDIVIDUAL PERSON
<p>..... Signature</p> <p>..... Name (please print)</p>

IF APPOINTOR IS A COMPANY
<p>Common Seal</p> <p>..... Director's Signature</p> <p>..... Second Signatory</p>

IF APPOINTOR IS AN UN-INCORPORATED ORGANISATION
<p>..... Signature of President</p> <p>..... Signature of Secretary or other authorised committee member</p>

SCHEDULE 2

ELECTION OF DIRECTORS**2-1 Election**

- (1) An election of Directors is to be held by postal ballot or an electronic voting system or combination of both, except where nominations are equal or less than the number of positions to be filled. If a postal ballot or electronic voting, or combination of both, is not held, Directors shall be elected by separate resolution for each candidate.
- (2) The following table sets out the timetable for election of Directors by Members:

Reference Constitution	Steps in Election Procedure	Time (Days) before AGM
Schedule 2 clause 2-2(1)	Call for nominations	Not less than 111
Schedule 2 clause 2-2(2)	Nominations close	Not less than 81
Schedule 2 clause 2-2(8)	Candidate's Statement receipt by Returning Officer	Not less than 81
Schedule 2 clause 2-2A	Nominations Committee to determine which candidates have demonstrated an ability to be a Director and report to the Returning Officer	As soon as practicable after close of nominations.
Schedule 2 clause 2-2B	Returning Officer's final acceptance of candidates	As soon as practicable after receipt of report from Nominations Committee.
Schedule 2 clause 2-7(1) Clause 23.1.	Returning Officer must send ballot papers to Members and AGM notice	Not less than 30
Schedule 2 clause 2-8(1) and (2).	Ballots close for election of Directors	7 Days.
Schedule 2 clause 2-9(3)	Announcement of Directors	At AGM.

2-2 Nominations

- (1) The Directors must give Members a notice calling for nominations not less than 111 days before the AGM.
- (2) Nominations close not less than 81 days before the AGM.
- (3) In order to be nominated, a Member ("the nominee") must:
- be eligible under **clause 41**;
 - be nominated by two Members;
 - state the nominee's date of birth;
 - consent to the nomination and to an assessment under the Fit and Proper Policy in the terms required by the Company;
 - agree to be bound by all decisions made in good faith in implementing or seeking to implement the Fit and Proper Policy; and

- (f) give the Returning Officer a notice of nomination and a declaration complying with **clause 2-2(4)** before nominations close.
- (g) Where the Directors or a Committee with the authority to make a recommendation in accordance with clause 41, does not recommend a person as fit and proper to be a Director of the Company, the person shall be advised in writing within 7 clear days of the making of that decision and the reasons for the decision.
- (h) A person to whom sub-clause 2-2(3)(g) applies may make a further written submission to the full Board of Directors within 14 clear days of receiving the decision.
- (i) In considering any written submission forwarded in accordance with sub-clause 2-2(3)(h) the Directors' decision will be final.
- (j) The Directors must as promptly as is reasonable and practical, notify the Returning Officer and the respective candidate of any decision as to the fitness and propriety of that candidate.

(4) **Declaration**

A Member nominated pursuant to **clause 2-2(3)** or retiring Director standing for re-election without nomination pursuant to **clause 44.4** must furnish to the Returning Officer together with the nomination (if nominated) a declaration in such form as the Directors may require:

- (a) That the nominee is not disqualified or prevented by law from being a Director and provide the Company with all information and consents the Company reasonably requests, to determine whether the person is disqualified or prevented by law from acting as a director and is of appropriate fitness and propriety to be and act as a Director for the coming term by reference to the Fit and Proper Policy;
 - (b) Whether the nominee has any interest in a contract or a proposed contract with the Company other than a contract, or proposed contract to provide Financial Accommodation;
 - (c) Whether the nominee holds an office or has an interest in property, whereby, whether directly or indirectly duties or interests may be created that could conflict with a director's duties or interests as a Director of the Company; and
 - (d) That the nominee agrees to comply with the Fit and Proper Policy and any codes of practice and procedures for Directors approved by the Directors from time to time.
- (5) A nominee may prior to the closure of nominations, submit to the Returning Officer for circulation to Members if the nominee becomes a candidate pursuant to **clause 2-2C** a statement not exceeding 250 words in support of their candidacy.

- (6) Any statement submitted by a nominee for election must not contain any matter or thing that is likely to mislead or deceive a Member in relation to the casting of their vote, or reflect adversely on the prudential standing of the Company.
- (7) Any statement submitted by a nominee must not make any criticism of another candidate, the Directors or their composition or offer to act as advocate for any sections of the membership.
- (8) A candidate's statement must be received by the returning officer not later than 81 days before the AGM. The returning officer may after consulting with the Secretary:
 - (a) approve a candidate's statement; or
 - (b) refuse to approve a candidate's statement; or
 - (c) request a variation to a candidate's statement.
- (9) **Initial Rejection of Nominations**
 - (a) As soon as possible after receipt, the Company must provide each nomination and accompanying documents to the returning officer. The returning officer must scrutinise nominations immediately upon receipt and reject a nomination where it appears to the returning officer that the nominating member or retiring Director standing for re-election without nomination pursuant to **clause 44.4** is not eligible under **clause 41**;
 - (b) The returning officer must reject a nomination where the nominee has failed to provide a declaration complying with **clause 2-2(4)**;
 - (c) Upon rejecting a nomination, the returning officer is to notify immediately the Member, the Member's proposers and the Directors.
- (10) The returning officer must cause nominations not rejected pursuant to **clauses 2-2(9)(a)** and **(b)** and any accompanying documents to be forwarded to the Nominations Committee as soon as practicable thereafter.
- (11) The returning officer is only required to issue each member with the ballot paper and those candidates' statements, which have been approved by the returning officer.
- (12) Any failure by the Company to provide any required document or information to the returning officer within the time specified that in the Board's reasonable opinion will not impact the fair running of the election shall not prevent the returning officer from accepting such document or information and the returning officer shall continue as if such document or information was provided within time.

2-2A Nominations Committee

- (a) Each nominee must upon invitation by the Nominations Committee submit to an interview with the Nominations Committee to determine their fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy.
- (b) The interview can be conducted in such manner and at such time after the close of nominations and prior to the sending of ballot papers to Members as determined by the Nominations Committee after consulting the returning officer.
- (c) After interviewing all nominees who make themselves available for interview, the Nominations Committee must provide the returning officer with a report as soon as practicable and in any event in sufficient time for the preparation and sending of ballot papers to Members stating the:
 - (i) name of each nominee interviewed by the Nominations Committee;
 - (ii) name of each nominee who was unavailable to be interviewed by the Nominations Committee;
 - (iii) name of each nominee who failed to provide the Nominations Committee with all information and documentation reasonably requested by the Nominations Committee to determine if the nominee was of appropriate fitness and propriety to be and act as a Director for the coming term by reference to the Fit and Proper Policy;
 - (iv) name of each nominee who demonstrated appropriate fitness and propriety to be and act as a Director for the coming term by reference to the Fit and Proper Policy; and
 - (v) name of each nominee who failed to demonstrate appropriate fitness and propriety to be and act as a Director for the coming term by reference to the Fit and Proper Policy.

2-2B Subsequent Rejection of Nominations

The returning officer must reject a nomination as soon as practicable after receipt of the Nominations Committee's report and notify immediately the nominee, their proposers and the Board if the Nominations Committee reports that the nominee:

- (a) was unavailable to be interviewed by the Nominations Committee;
- (b) failed to provide the Nominations Committee with all information and documentation reasonably requested by the Nominations Committee to determine if the nominee was of appropriate fitness and propriety to be and act as a Director for the coming term by reference to the Fit and Proper Policy; or

- (c) in the assessment of the Nominations Committee did not demonstrate appropriate fitness and propriety to be and act as a Director for the coming term by reference to the Fit and Proper Policy.

2-2C Candidates

Any nominee not rejected by the returning officer in accordance with clauses 2-2(9) or 2-2B becomes a candidate.

2-3 Proceeding with Election

- (1) The number of positions to be filled in the election is the maximum number of Directors under **clause 40.2** less the number of Directors who are not due to retire at the AGM.
- (2) If the number of candidates is equal to or less than the number of positions to be filled:
 - (a) the general meeting may appoint each Member who becomes a candidate as a Director by passing a separate resolution at the AGM;
 - (b) the election process otherwise set out in this Schedule is discontinued; and
 - (c) the Company must give each Member a notice that:
 - (i) states that the election process has been discontinued;
 - (ii) sets out the name of each candidate; and
 - (iii) states that the general meeting will vote on the appointment of each candidate as a Director by a separate ordinary resolution at the AGM.

2-4 Appointment of Returning Officers

- (1) The Directors must appoint a returning officer approved by the Electoral Commission or its equivalent, who may appoint assistant returning officers, none of whom can be an officer of the Company, a candidate, or relative of a candidate.
- (2) The Secretary must prepare and give the returning officer a roll of Members made up in accordance with clause 30.

2-5 Appointment of Scrutineer

- (1) A candidate may appoint a scrutineer.
- (2) The Directors may appoint a maximum of three scrutineers, none of whom is a candidate or an employee of the Company.
- (3) The duties and responsibilities of scrutineers are:
 - (a) to observe the sorting, counting and recording of ballot papers;

- (b) to ensure that the votes of unrejected ballot papers are correctly credited to the appropriate candidates; and
- (c) to raise any query with the returning officer regarding any of the ballot papers.

2-6 Ballot Papers

- (1) After nominations have closed, the returning officer must prepare ballot papers for the election.
- (2) The order in which the candidates appear on the ballot paper is to be determined by the returning officer by lot.
- (3) The ballot paper must state that each candidate has been assessed by the Nominations Committee as demonstrating appropriate fitness and propriety to be and act as a Director for the coming term by reference to the Fit and Proper Policy.
- (4) Subject to determinations made in order to facilitate electronic voting pursuant to clause 2-7A, the returning officer must ensure some authenticating mark appears on each ballot paper before sending them to the Members.

2-7 Postal Vote

- (1) Subject to determinations made in order to facilitate electronic voting pursuant to clause 2-7A, the returning officer must notify each Member at least 30 days before the AGM:
 - (a) a ballot paper;
 - (b) any candidate's statement approved by the Returning Officer in accordance with **clause 2-2(8)**;
 - (c) an unsealed envelope, called the 'Outer Envelope' addressed to the returning officer;
 - (d) a Ballot Paper Envelope, called the 'Inner Envelope', in which the Member must enclose their completed ballot paper, the reverse side of which bears the following detachable Declaration Slip:

<p><i>Declaration Slip</i></p> <p>I am the voter named below. I have enclosed my completed Ballot Paper in this envelope. I have not already voted in this Ballot.</p>	
<p><i>Sign here: X</i></p>	<p><i>Date:</i></p>

- (2) The returning officer must send ballot papers by mail or prepaid post and addressed to each Member at the address shown in the Register of Members for the purposes of giving notices.
- (3) A Member exercising a right to vote must:
 - (a) Firstly, complete the ballot paper in accordance with this Constitution;
 - (b) secondly, place the ballot paper in the Inner Envelope; and
 - (c) thirdly, complete the Inner Envelope, place the Inner Envelope in the Outer Envelope, and return it by post to the returning officer.
- (4) A Member must ensure that the returning officer receives the Member's ballot paper by 5.00pm on the day fixed for the closing of the ballot.
- (5) Any ballot paper that the returning officer receives after the ballot closes is excluded from the ballot.
- (6) A Member who does not receive the Member's ballot paper or who spoils it must give the returning officer a declaration to that effect. The returning officer must then send a duplicate ballot paper to that Member, mark the reply paid envelope addressed to the Returning Officer "Duplicate", and keep a record of all duplicate ballot papers issued.

2-7A Electronic Voting

- (1) The Directors may from time to time determine on advice from the Returning Officer:
 - (a) that the Members may record their votes using an electronic voting system;
 - (b) the manner in which members will be identified for the purposes of an election using an electronic voting system;
 - (c) the rules and instructions for electronic voting and lodgement of electronic ballot papers;
 - (d) the information required by Members that is reasonably necessary to facilitate electronic voting;
 - (e) the manner of delivery of that information to Members;
 - (f) any other matters reasonably necessary to facilitate electronic voting using an electronic voting system.
- (2) If the Directors make such determinations then the election procedures must incorporate the requirements of those determinations.

2-8 Closure of the Ballot

- (1) Except in the circumstances specified in **clause 2-8(2)** of this Schedule the ballot closes 7 days before the AGM.
- (2) Where the AGM is scheduled to occur on a Sunday, or on any day when the Office may be closed, ballot papers shall be deemed to be accepted as being received within the period specified in sub-clause (1) of this clause, provided that they are received by noon on the first day of opening of the Company after the day specified in **clause 2-8(1)**.

2-9 Procedures After Close of the Ballot

- (1) As soon as practicable after the ballot closes, the returning officer must ensure that the ballots are dealt with as follows:
 - (a) extract the Inner Envelopes containing the ballot papers from the Outer Envelopes;
 - (b) for each ballot paper, mark the Member's name off a roll of Members;
 - (c) if a duplicate ballot paper has been sent to a Member and the original Inner Envelope received — mark the original Inner Envelope 'rejected';
 - (d) if the detachable Declaration Slip on the Inner Envelope has insufficient detail to identify the Member— mark the Inner Envelope 'rejected';
 - (e) remove the detachable Declaration Slips from the Inner Envelopes and take out the ballot papers in such a way that no ballot paper can be identified with any particular Member;
 - (f) supervise the scrutinising of the ballot papers and reject informal ballot papers;
 - (g) count the votes;
 - (h) sign a declaration of the ballot as to the:
 - (i) names of the candidates appointed as Directors;
 - (ii) votes cast for each candidate;
 - (iii) number of votes rejected as informal; and
 - (i) deliver the declaration to the Secretary.
- (2) Where the ballot paper is lodged electronically the Returning Officer will deal with the ballot paper in accordance with the rules and instructions for electronic voting and lodgement of ballot papers as determined in accordance with sub-clause 2-7A.
- (3) A ballot paper is informal if:
 - (a) it is not authenticated by the authenticating mark of the returning officer; or

- (b) it has no vote indicated on it or it does not indicate the Member's preference for a candidate; or
 - (c) more squares than there are vacancies have had a tick or cross or other mark inserted in them unless the Returning Officer is readily and fairly able to determine the voter's intention.
- (4) The Returning Officer must, within 7 days of the annual general meeting furnish to the Chairperson any declaration provided by a candidate pursuant to sub-clause 2-2(4) who is elected to the Directors and the Returning Officer shall destroy all declarations provided by unsuccessful candidates pursuant to sub-clause 2-9(7).
 - (5) The Secretary must announce the results of the ballot at the next AGM.
 - (6) If a Member gives the Company a written request, the Company must make available to any Member a copy of the returning officer's declaration of the ballot.
 - (7) The returning officer must destroy the ballot papers three months after the declaration of the ballot.

2-10 Voting System

- (1) The candidates with the highest number of votes in accordance with the number of vacancies are appointed as Directors.
- (2) If 2 or more candidates have the same number of votes, the candidate appointed as a Director is determined by lot.

2-11 Irregularity in the Conduct of an Election

- (1) The candidates that the returning officer declares to have been appointed are appointed unless the Secretary receives an objection to the ballot within 7 days of the Secretary notifying Members of the result of the ballot.
- (2) If the Directors are of the opinion that the objection is reasonable, they may resolve to declare the returning officer's declaration void.
- (3) The returning officer must then conduct a further scrutiny in accordance with the Constitution the results of which prevail unless the Directors resolve to call a new poll by a unanimous resolution of all Directors other than those appointed as a result of the ballot to which the objection relates.
- (4) No election shall be voided on account of any error or omission of the Company or the returning officer, which does not affect the result of the election.

SCHEDULE 3**STANDING ORDERS****3-1 Time Limits for Speakers**

- (1) The mover of a motion may speak for no more than 5 minutes.
- (2) Subsequent speakers may speak for no more than 5 minutes.
- (3) The mover of the motion may reply for no more than 5 minutes.
- (4) The meeting is free to extend the time a speaker may speak.

3-2 Amendment

- (1) On an amendment being proposed to an original motion, no second amendment may be considered until the first amendment has been dealt with.
- (2) An amendment, when carried, displaces the original motion and becomes the motion to which any further amendment may be moved.
- (3) If the amendment is not carried, then further amendments to the original motion may be considered.

3-3 Speakers

- (1) The mover of an original motion has a right of reply.
- (2) The mover of an amendment does not have a right of reply.
- (3) Except as otherwise provided in this Schedule, a Member may speak only once on the same question except to raise a point of order or, with the consent of the chair of the meeting, to give an explanation.

3-4 Motions to be in Writing

Every motion and every amendment to a motion must be submitted in writing as and when the chairperson of the meeting requests.

3-5 Closure of Debate

- (1) Debate on a motion or an amendment may be brought to a close by a resolution ‘that the question be now put’.
- (2) The motion ‘that the question be now put’ must be put to the meeting without debate.

SCHEDULE 4**MEMBERS WHO ARE MINORS**

- 4-1** This schedule applies to a Member who was a minor when he or she became a Member:
- (1) While a Member remains a minor, except when the Company is being wound up, the Company must not:
 - (a) call for payment of the unpaid amount in respect of the minor's shares;
 - (b) credit any dividend to the unpaid amount in respect of the minor's share; or
 - (c) otherwise set off against the unpaid amount of any amounts owing by the Company to the minor.
 - (2) After reaching the age of 18, the Member must pay the remaining 80% of the subscription price for the shares applicable as at the time he or she became a member. Any time after the Member reaches the age of 18 the Board may:-
 - (a) call for payment of all or part of the unpaid amount in respect of the shares;
 - (b) debit any of the Member's deposit accounts with the Member's consent.
 - (3) After reaching the age of 18, the Member must not exercise any of the rights attaching to his or her shares until the Member pays the amount of the unpaid subscription price.
- 4-2** A Member who is as minor must not:-
- (a) vote at a meeting of the Company; or
 - (b) be a Director, Alternate Director or Secretary of the Company.



10. Board Corporate Governance Charter

CORPORATE GOVERNANCE CHARTER

Document number:	CHA – 001 Corporate Governance Charter
Status:	Final
Sponsor:	Chief Finance Officer
Approver:	Corporate Governance Committee
First published:	2009-Jul-15
Date of Committee approval:	2021- 06
Date of Board approval:	2021 - 06
Date for next review:	2022 - 06
File Name:	
Related Policies & Procedures	CHA – 002 Board Corporate Governance Committee Charter CHA - 003 Audit Committee Charter CHA – 004 Risk Committee Charter GOV & PER Policies



DNISTER

Ukrainian Credit Co-operative Ltd

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INTRODUCTION

Prudential Regulation

Prudential Standards CPS 510 and associated Guidance Notes

Board Authority

The Board of Directors (the Board) originally adopted this charter on 15 July 2009 with the current version dated as per the front cover of this document.

Reviews

The Board reviews and amends the Corporate Governance Charter, both yearly and as major changes occur during the period. The Corporate Governance Committee will review and recommend to the Board any changes to this charter as required and at least annually. A history of review and extent of recommended and ratified changes are detailed in schedule 1:

1. CORPORATE GOVERNANCE FEATURES

The Board accepts that it is ultimately responsible for the sound and prudent management of the Co-operative. In order to readily meet this responsibility, the Board will ensure the corporate governance culture is based on the following features.

Directors, responsible officers and accountable persons are:

- (i) Proactive, directional and visionary focussed;
- (ii) Objective, independent thinking, challenging and considered;
- (iii) Member benefit and member value driven;
- (iv) Socially responsible, transparent and ethical;
- (v) Skilled in key principles of business and financially literate;
- (vi) Involved in the Ukrainian and Latvian communities;
- (vii) Highly informed about the Co-operative's performance and trends; and
- (viii) Systematic, thorough and consistent with policy implementation and decision making.

Directors in accepting their election and appointment to the Board are deemed to have read this Charter, understood the contents in terms of their role and responsibilities and undertake to be bound by this Charter.

2. BOARD OF DIRECTORS' CHARTER

2.1 Role

The primary role of the Board is to provide effective governance over the Co-operative's affairs to ensure the interests of members are protected and the confidence of regulatory authorities maintained.

The Board directs and monitors the ongoing management performance concerning the financial, operations, risk and overall business affairs of the Co-operative on behalf of the members by whom they are elected and to whom they are accountable.

The Board ensures legislative compliance including compliance with the prudential and solvency requirements of the Australian Prudential Regulatory Authority (APRA) and the corporate requirements of the Australian Securities & Investment Commission (ASIC).

The Board will have regard for the interests of all stakeholders, including members, Ukrainian communities, Latvian communities, employees, suppliers and the local communities.

Also refer to Section 2.11 in this Charter for further details on the Board's role.

2.2 Composition

The Board shall comprise no less than five and no more than seven Directors, of whom a majority must be independent, non-executive and ordinary Australian resident in accordance with CPS 510 and accepted good governance principles.

2.3 Chair of the Board

The Chair of the Board:

- (i) Shall be elected by Directors;
- (ii) Shall be an independent/non-executive Director;
- (iii) Shall be independent as defined in accordance with CPS510(25) and accepted good governance principles; and
- (iv) Shall not have been the Co-operative's CEO at any time during the previous three years.

2.4 Board Meetings

- (i) The Board shall meet as often as deemed necessary by the Directors in order to fulfil their duties and responsibilities as Directors and as dictated by the needs of the business;
- (ii) It is expected that under normal circumstances the Board will meet on at least ten occasions in each calendar year;
- (iii) A meeting of the Board can be convened by any director; and
- (iv) A quorum shall consist of four directors or a number not less than half of the total number of directors.

2.5 Board Committees

- (i) The Board may establish committees and delegate functions to assist them in undertaking their roles and responsibilities;
- (ii) Any Director may attend any Committee meeting, as an observer, at their discretion; and
- (iii) Refer to section 8 for details in relation to the Board Audit Committee and Board Risk Committee.

2.6 Conflicts of Interest

- (i) Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Co-operative in accordance with the Board's PER-062 Conflict of Interest Policy; and

- (ii) If any matter is to be discussed at a meeting of the Board which would involve a Director having a direct or perceived conflict of interest, then that Director;
 - (a) will declare that conflict of interest;
 - (b) will not receive the relevant papers;
 - (c) will not be present at the meeting whilst the matter is considered; and
 - (d) will not participate in any decision on the matter or be informed until the decision has been taken.

2.7 Confidentiality

All proceedings of the Board, including papers submitted and presentations made to the Board, shall be kept confidential and will not be disclosed, verbally or in written form, or released to any person other than Board members, except as required by law or as agreed to by the Board.

2.8 Access to Employees and Policies

- (i) The Board shall have full and free access to the CEO, Company Secretary, Executive Management team, Chief Risk Officer and Internal Auditor;

It is preferable that Directors do not access line managers or staff to engage them in Board or management related discussions. Business related requests for information should be directed to CEO or executive management or as a minimum the Director must inform the CEO of all such discussions or information requests.

Directors can engage with staff to improve their understanding of the business.

- (ii) The Auditors shall have full and free access to the Board to raise any matters with the Board directly;
- (iii) The Chair, Directors, Executive Management, Chief Risk Officer, Auditors and any appointed actuary will be made available to meet with APRA on request; and
- (iv) Policies and procedures will be provided to APRA on request.

2.9 Professional Advice

- (i) The Board collectively and each Director individually may take, at the Co-operative's expense, such independent professional advice as is considered necessary to fulfil their relevant duties and responsibilities;
- (ii) Individual Board members seeking such advice must obtain the written approval of the Chair (which may not be unreasonably withheld) and the advice received must be made available to all Board members as appropriate and at the earliest opportunity;
- (iii) Advice exceeding more than \$2,500 for any one matter or set of related matters in any twelve-month period will also require the written approval of one other director in addition to the Chair; and
- (iv) Directors must at all times retain confidentiality (refer to section 2.7)

2.10 Director Independence

- (i) The Board recognises and actively supports the independence requirements as per CPS510(25) including the definition of independence set out in the ASX Corporate Governance Council's Principles of Good Governance and Best Practice Recommendations;
- (ii) The Board's application of the independence requirement includes acknowledgment of the involvement of the Directors in one or more Ukrainian community organisation committee(s) or Board(s);
- (iii) Each Director that is a committee member, Board member, employee or has any other role of commercial influence with a Ukrainian or Latvian organisation, that could materially interfere with the exercise of their material judgement, must document their role and the potential of material interference and present this to the Board for assessment;

- (iv) If the Board has any doubts or difficulty in assessing the Director's independence status, the Board is to seek external advice from the Co-operative's solicitor and/or APRA;
- (v) The conditions applying to 2.10(iv) will also apply to a Director who is on the Board or an employee of an industry body or a supplier to the Co-operative, including a company of which the Co-operative is a shareholder; and
- (vi) The independence requirements are to be considered in conjunction with the Renewal Policy (refer to Section 6).

2.11 Board Duties and Responsibilities

(i) Corporate Governance

- (a) Conduct the affairs of the Co-operative and the meetings of Directors and the Board committees having full regard for best corporate governance practices including CPS510 and 520, the ASX Principles of Good Corporate Governance and Best Practice Recommendations; and
- (b) Ensure that executive management implement and maintain a system of good corporate governance.

(ii) Board of Directors

- (a) Assess for fit and proper, as per CPS520, appropriate persons for election to the Board in accordance with the additional requirements of the Banking Executives Accountability Regime (BEAR);
- (b) Fill casual vacancies in Board positions in accordance with the additional requirements of the BEAR;
- (c) Plan the succession of Board members; and
- (d) Monitor the performance of the Board and Board committees collectively and Directors individually.

(iii) CEO

- (a) Appoint and remove the CEO, agree on performance targets, monitor performance, set remuneration and manage succession plans for the CEO;
- (b) Ratify the appointment and removal of those executives who report directly to the CEO; and
- (c) Monitor executive succession plans.

(iv) Corporate Strategy, Budget and Performance

- (a) Actively participate and contribute to the planning process and approve the strategic direction and related objectives for the Co-operative;
- (b) Consider and approve the Co-operative's annual budget including revenue, profit, capital expenditure and cash flows, as proposed by management, ensuring appropriate resources are available to achieve the business objectives; and
- (c) Monitor management's performance in the implementation and achievement of the Co-operative's goals and strategies.

(v) Acquisitions and Divestitures

- (a) Review and as appropriate approve (in accordance with the Constitution) management proposals regarding acquisitions or divestitures of property, businesses and functions, when such acquisition or divestiture would have a material effect on the assets, profit or operations of the Co-operative.

(vi) Capital Management

- (a) Review and approve capital management policies and plans having regard for the various liquidity and capital adequacy regulatory requirements.

(vii) Risk Management and Internal Control

- (a) Oversight on the identification of business risks and approve systems of risk management, regulatory compliance and controls and associated policies to manage those risks; and
- (b) Monitor management's implementation of, and compliance with, these systems and controls.

(Refer also to the Board Risk Committee Charter)

(viii) Financial Reporting

- (a) Approve (subject to member shareholder endorsement) the appointment of the external auditor; and.
- (b) Review and approve the Co-operative's annual financial statements and other published financial information.

(ix) Approval Authorities

- (a) Determine and approve the level of authority to be granted to the CEO in respect of operating and capital expenditures and credit facilities and authorise the further delegation of those authorities to management by the CEO;
- (b) Approve major operating and capital expenditure and credit facilities in excess of the limits delegated to management;
- (c) The various powers, duties and responsibilities of the Board set out herein may be delegated to one or more committees of the Board; and
- (d) Minutes of the proceedings of all meetings of Board committees shall be maintained and copies of those minutes will be distributed to all Directors before the next meeting of the Board following the Board committee meeting.

2.12 Director Role Description

Refer to Appendix A

2.13 Board Chair Role Description

Refer to Appendix B

2.14 Directors Personal Code of Conduct

Refer to Appendix C

3. FIT & PROPER (CPS 520)

3.1 Policy

Refer to the Board's separate Fit & Proper and BEAR Policy.

This policy recognises:

- (i) that the fit and proper and BEAR policy is to be included in the overall risk management framework;
- (ii) that a process will be implemented to assess a person's fitness and propriety prior to their initial appointment and at least annually thereafter;
- (iii) that fit and proper criteria set out in the prudential standard will be used;
- (iv) the requirement to ensure that a person holding a responsible officers and accountable person position is fit and proper;
- (v) the actions required to be taken if a responsible officer and accountable person is assessed not to be fit and proper;
- (vi) the whistle blowing requirements;
- (vii) the document retention requirements in relation to fit and proper and BEAR assessments for current and recently past responsible officers and accountable persons;
- (viii) the additional specific requirements with respect to auditors; and
- (ix) the information required to be provided to APRA regarding responsible officers and accountable persons and the assessment of their fitness and propriety on an annual basis.

3.2 Corporate Governance Committee

- (i) The Board will appoint a Corporate Governance Committee to assist it to meet the requirements of CPS 520, Fit & Proper and the BEAR.
- (ii) Where nominations are received for election to the Board, candidates may be invited to a meeting with the Corporate Governance Committee.
- (iii) The Corporate Governance Committee will ensure that the CEO/Company Secretary has conducted checks to ensure each candidate meets the "Fit and Proper Persons" and accountable person requirements of the Banking Act, including:
 - (a) Australian Federal Police checks;
 - (b) Bankruptcy checks;
 - (c) Sanctions screening through the Transwatch system; and
 - (d) ASIC Banned and Disqualified Persons Register check.
- (iv) The Corporate Governance Committee will confirm with each candidate that they understand the requirements of the role of being a Director and to the best of their knowledge and belief, consider that they meet the requirements of any "Fit and Proper persons" and "accountable person" requirements in the prudential or regulatory standards.

3.3 Director Induction

Refer to Appendix D

4. BOARD & DIRECTOR PERFORMANCE

4.1 Policy

The Board will undertake an annual Board Performance Assessment and an annual performance assessment of each individual Director.

The objective of this policy is to ensure continuous improvement and development of the Board over a twelve-month cycle and assist in Board planning, Director training and renewal and the selection of Board committees and working parties.

4.2 Procedures

- (i) Performance assessments are to be completed by each Director:
 - (a) on the Board as a whole;
 - (b) self-assessment on their own performance;
 - (c) peer assessment on each other Director; and
 - (d) on the Chair of the Board and each Board Standing Committee.
- (ii) The assessment may be undertaken utilising an independent consultant or service provider.
- (iii) Where possible a set of standard credit union Board, Director and Chair assessment criteria will be used to enable benchmarking.
- (iv) Where possible and without losing the integrity of the assessment tool being used, the standard criteria will be customised to include agreed Key Result Areas and targets and be linked to the Strategic Plan. Targets related to the Board's activities should be measurable.
- (v) It is the Board's preference to undertake the assessments on-line for time and cost efficiency purposes as well as to maximise confidentiality.
- (vi) Feedback is to be considered, open and honest, and is meant to provide a means by which Directors may develop skills to enhance the contribution they make to the overall effectiveness of the Board.
- (vii) The reports from the assessments will be distributed as follows
 - (a) Board report: All Directors, CEO
 - (b) Director reports-Self: Director and Chair
 - (c) Director report – Peer collated (no individual identification): Each Director, CEO
 - (d) Chair: All Directors, CEO
- (viii) Following the receipt of the annual Assessment reports the Board will discuss the outcomes and identify and agree on corrective action and development work required.
- (ix) It always remains the right of individual Directors, if dissatisfied with the outcomes of the assessments, to discuss with the Board any alterations to the procedure itself or the appropriateness of the targets.

5. REMUNERATION

5.1 Remuneration Charter

The Corporate Governance Committee will act as the Remuneration Committee and carry out its duties in accordance with CPS510 Governance and the BEAR and the remuneration policy PER-071. The responsibility of the Remuneration Committee will include the following:

- (i) Conducting regular reviews of, and making recommendations to the Board on, the Remuneration Policy. This must include the assessment of the Remuneration Policy's effectiveness and compliance with the requirements of CPS 510 and the BEAR;
- (ii) Making annual recommendations to the Board on the remuneration of the CEO, direct reports of the CEO, other persons whose activities may in the Board Remuneration Committee's opinion affect the financial soundness of the institution, and any other person specified by APRA
- (iii) Although the Co-operative does not currently provide a variable remuneration component, the Committee will consider whether there is a need to provide variable remuneration and then if deemed appropriate determine the size of the variable component bearing in mind the deferred remuneration requirements outlined in section 5.2 below; and
- (iv) Making annual recommendations to the Board on the remuneration of the categories of persons covered by the Remuneration Policy (other than those persons for whom such recommendations are already required under above paragraph).

5.2 Deferred Remuneration

The Co-operative acknowledges the importance of its obligations under the Banking Executive Accountability Regime (BEAR) and in particular its obligations with respect to deferred remuneration. Detailed obligations relating to the BEAR are set out in Fit and Proper and BEAR Policy.

To the extent an Accountable Person's remuneration includes variable remuneration which is greater than \$50,000 in a financial year, the following provisions apply:

- a) 40% of all variable remuneration will be deferred for a minimum period of 4 years; and
- b) if an Accountable Person has failed to comply with his or her accountability obligations as set out in their Accountability Statement/s, the Accountable Person's variable remuneration will be reduced by an amount that is proportionate to the failure for the period which is assessed by the Co-operative and being appropriate having regard to the nature of breach. If an Accountable Person's variable remuneration is reduced in accordance with this clause b), it will not be paid to that person.

Definitions

Variable Remuneration means the amount of the Accountable Person's total remuneration which is conditional on the achievement of objectives and includes remuneration of a particular kind as determined by APRA under legislative instrument from time to time.

5.3 Board Remuneration

The Corporate Governance Committee will make an independent assessment using credit union, not-for-profit and other relevant market remuneration data for the purposes of conducting regular reviews of Board remuneration. The Board and/or this Committee will ensure that appropriate and adequate investigations have been carried out to substantiate any recommendation to the Board for an increase in the maximum remuneration level for Directors. If an increase is recommended, a documented case must be compiled for presentation to the Board & members at the Annual General Meeting.

The Director remuneration pool is established as recommended at the AGM, where it is reviewed, voted upon, and accepted or rejected. The break-up of the Director remuneration pool (based on 7 Directors) relevant to the individual role of the Directors is as follows:

Director Role	% Allocation
Chair	19.5%
Deputy Chair	15.0%
Director	13.1%

Director remuneration is paid through the fortnightly payroll of the Co-operative.

6. BOARD RENEWAL & BOARD SUCCESSION

One of the key responsibilities of the Chair and Board of the Co-operative is the implementation of succession for the Board. The Corporate Governance Committee will act as the Board Nominations Committee and carry out its duties in accordance with CPS510 Governance and the BEAR. The responsibility of the Board Nominations Committee will include recommendations with regards to the following:

6.1 Appointment and Removal of Directors

Directors are appointed and removed in accordance with the relevant sections of the Co-operative's Constitution.

6.2 Board Renewal Policy

The Board's policy sets out the range of strategies that will individually or collectively ensure that the Board remains open to new ideas and independent thinking while retaining adequate expertise.

The Board will undertake regular succession planning with the aim of ensuring a diverse mix of Directors that is representative of the membership base and capable of discharging the Board's fiduciary obligations with a specific focus on experience, skills, age and gender. The Board will strive to achieve this objective through appropriate development and recruitment strategies with application of the following aspirational objectives:

- Target an appropriate diversity of skills, ages and State representation;
- Target an appropriate gender mix by aiming for up to 40% of nominations for Directors to be from female candidates;
- Target that the maximum Board tenure for a Director is 12 continuous years subject to exceptions for Board continuity purposes, which are to be at the Board's discretion, in terms of experience, skills and corporate knowledge/history;
- Target that the maximum tenure in Chair and Deputy Chair positions is 8 continuous years;
- Encourage Directors to aspire to Chair and Deputy Chair positions by participating in Board Committees' in Chairs and Deputy Chairs positions; and
- Consider Associate Directors (Directors in training) to develop and assist with contributions from younger Directors and to improve the range of Board skills.

The Board recognises that directors serving more than two terms must particularly demonstrate that they are contributing to the Board's renewal policy. This is to be assessed:

- (a) as a component of the annual Director Performance Assessment, and
- (b) at the Fit and Proper and BEAR assessment undertaken at the time of the Director's re-nomination.

6.3 Renewal Strategies

(i) Prospective Directors

The Board recognises that it cannot be assured of a steady stream of potential Directors coming from its membership base. Changing business practices, increased competition, new technology and delivery channels, higher prudential standards and the constantly changing business environment requires that the Co-operative adopt a strategic approach to managing succession.

The Board will actively inform and encourage members to consider standing as a Director.

- (a) Briefing Sessions: Subject to demand/interest, the Board will conduct briefing sessions. Interested or prospective nominees to the position of Director shall be notified, at or before the time of nomination, of the role and responsibilities of a Director of an authorised deposit taking institution;
- (b) Common alternate Director: Up to two members may be appointed for terms of 12 months as first or second alternate for all or most Directors. This will provide an opportunity to have one or two 'Directors in training' by allowing these alternate Directors to attend Board meetings as observers; and
- (c) The total number of common alternate Directors will not exceed two.

(ii) Training & Development

Attending training and education activities provides Directors with an ongoing exposure to other Directors, industry

stakeholders and subject matter experts.

To ensure that this strategy option provides a major contribution to Board renewal the Board will:

- a) Maintain a Director qualifications, training & development register. This will include all relevant professional development activity. Refer to Appendix E for the register template;
- b) Have a minimum requirement for each Director to attend and participate in at least one credit union and/or finance industry forum, professional development program and/or meeting each year;
- c) Approve an annual Director training budget; and
- d) Encourage and support Directors to join finance or credit union industry working parties.

The Corporate Governance Committee shall, in conjunction with the CEO, compile an annual Director education seminar and conference program for Board consideration.

(iii) Casual Appointments

A new Director may be appointed to fill a casual vacancy by the Board to achieve the range of appropriate skills required to properly manage the Co-operative in the best interest of members. A Director appointed to fill a casual vacancy is receiving an informal endorsement from the Board that may sway member voting when that Director stands for election.

(iv) CEO Replacement

A change of CEO is not always planned however when it occurs it offers a major renewal opportunity due to the significant and dominant nature of the CEO's contribution to the Co-operative's Governance culture.

(v) Sub Committee Membership

The Board requires that every opportunity is taken to ensure that every working party and sub-committee membership (other than the Board Corporate Governance, Board Audit and Board Risk Committees) includes a non-Director or manager.

(vi) Board Coach(s) and Adviser(s)

The Board annually will consider, or as required, the appointment of:

- (a) a Board coach to support Directors with their knowledge, skill and overall competence development, and/or
- (b) one or more subject matter specialist retained by the Board that is/are available to individual Directors to contact for advice and independent opinion.

7. MANAGEMENT SUCCESSION PLAN

Given the Co-operative's relative size, style of operation, economies and the Co-operative market, it is not possible to fully rely on an in-house succession plan mapped out and capable of immediate implementation for the positions of CEO, Executives or other Senior Managers. Accordingly, the following succession plan is considered sufficient to meet management succession needs.

7.1 CEO Succession

(i) In the event that the CEO resigns or is terminated, is incapacitated or unavailable for an extended period greater than two weeks, the CFO shall be deemed the Acting CEO and Company Secretary.

In addition:

- (a) APRA/ASIC will be informed (in the event of a resignation or termination or when unavailable for a period greater than four weeks).
- (b) The daily operations of the Co-operative shall continue under the guidance of the Executive Management team and CFO (Acting CEO).
- (c) The Chair shall arrange as soon as practical, a Board Meeting to formalise a plan to resolve the situation including, if necessary, recruitment of a replacement CEO.

(ii) The Board and the CEO will map and update annually, or as required, the functions that are undertaken only by the CEO or skills that only the CEO has and identify alternative arrangements to cover short term periods as well as providing for internal training and skills transfer.

7.2 Senior Manager Succession

- (i) In the event of a Senior Manager resigning, being incapacitated or on extended leave, the CEO will be responsible for the situation, including informing the Chair within 24 hours.
- (ii) The CEO may suspend a Senior Manager but not terminate their appointment or demote them without securing prior approval from the Board.
- (iii) The following interim arrangements will be considered and may apply in the event that a Senior Manager resigns or is terminated, incapacitated or unavailable for an extended period greater than two weeks:

Senior Manager Position-	Interim Arrangement-
CEO	CFO
CFO	Corporate Accountant.
Chief Risk Officer	CEO
Marketing & ICT Executive	Marketing Assistant
Lending & Member Services Executive	Mobile Manager
Corporate Accountant	CFO

8. BOARD AUDIT and BOARD RISK COMMITTEES

8.1 Board Audit Committee Charter & Board Risk Committee Charter

The Board Audit & Board Risk Committees are both made up of four Directors. The CEO is in attendance at meetings as the Committee Secretary. The CFO attends the meetings and is the alternate Committee Secretary. The CRO attends Board Risk Committee meetings.

At a minimum, meetings will normally be held on a quarterly basis. The external auditor is invited to meetings at the discretion of the Committees.

The Board Audit & Board Risk Committees will ensure that the independence of the Internal Auditor is maintained. The Internal Auditor will report directly to the Board Audit Committee & Board Risk Committee on a regular basis and otherwise when required.

The key responsibilities covered by the two Committees include:

Board Risk Committee

- Overseeing compliance with statutory and corporate requirements.
- Overseeing and examining the adequacy of risk management policies and systems.
- Overseeing and examining the internal and external audit processes and reports.
- Monitoring the adequacy of corporate insurance coverage.

Board Audit Committee

- Approval and monitoring of the internal audit program.
- Reviewing the draft financial report and the audit report and making the necessary recommendation to the Board for approval of the financial report.
- Making recommendations on the appointment of and monitoring the effectiveness and independence of the external auditor.
- Making recommendations on the appointment of and monitoring the effectiveness and independence of the Internal Auditor.

Refer also to respective Board Audit Committee & Board Risk Committee Charters.

APPENDICES

APPENDIX A: POSITION PROFILE CHAIRPERSON

POSITION PROFILE CHAIRPERSON

Responsible to:

Membership and specific stakeholders via the Board of Directors.

Role of the Chairperson:

The Chairperson:

- Chairs all meetings of the Board at which he or she is in attendance;
- Chairs all meetings of the Board Corporate Governance and Remuneration Committee at which he or she is in attendance;
- Chairs all meetings of members at which he or she is in attendance;
- Leads the Board in its considerations providing motivation, maintaining morale and commitment and ensuring open and full communications between all Directors and with the CEO;
- Counsels, advises and encourages individual Directors as necessary.
- Ensures that the performance of individual Board members and of the Board as a whole is evaluated at least once a year.
- Discusses the results of annual performance appraisal surveys with individual Directors, agreeing areas requiring attention and determining individual programs for the development of further skills and knowledge.
- Build an effective and complimentary Board, initiating change and planning succession and Board appointments in conjunction with the Board Corporate Governance and Remuneration Committee.
- Represents the Board to community, government and industry at large.
- Ensures that the Board is able to discharge its duties and comply with the requirements of regulatory bodies that affect the function and responsibilities of the Board.
- Ensures that the role of the Board in terms of the Board of Directors Policy is followed and achieved.

Position Objective:

To actively lead the Board of Directors in the fulfilment of its entire duties and responsibilities in the best interests and to the expectations of the members and in accordance with the requirements of the regulatory and business environment.

Key Result Areas:

1. *Fulfils a team leader role for the Board, maintaining a high level of morale and commitment:*
 - Regarded and respected by all as an effective leader and motivator.
 - Ensures the Board works as a team and functions properly in decision-making.
 - Ensures appropriate meeting procedures are followed (shows knowledge of procedure) and adhered to (control).
2. *Keeps up-to-date with all issues affecting the financial, statutory and compliance responsibilities of Directors:*
 - Attends and actively participates in appropriate Director development sessions in the roles of self-development and as a leader.
 - Guides new Directors in all aspects of their responsibilities.

- Guides all Board discussions, seeks advice and counsels Board members where required.
 - Shows a sound understanding of the financial marketplace in which Co-operative, the broader credit union and finance industries are operating.
 - Shows strong awareness and good judgement related to relevant national economic/political trends.
 - Has a clear understanding of a Director's duties as defined by Common Law and the Corporations Act.
 - Has a sound knowledge of the Co-operative's Constitution.
3. *Establishes a communication channel with the CEO and Executive Management:*
- Has honest, open and supportive working relationships with the CEO.
 - Initiates the performance review of the CEO.
 - Effectively communicates with senior personnel where appropriate.
 - Fulfils a leadership role in an effective relationship between Board and Management.
4. *Enhances relations with industry, community, members and staff:*
- Professionally represents the Board at industry, community, members and staff functions.
 - Strives to have Co-operative recognised as a strong credible member of the Credit Union Movement and the community at large.
 - Demonstrates a strong commitment to Credit Union philosophy and principles incorporating mutuality, co-operative endeavours and high ethical standards.
5. *Demonstrates the appropriate personal and interpersonal skills:*
- Shows strategic and forward-looking perspective.
 - Respects the views of other team members, the CEO and Executive Management Team.
 - Maintains respectability in all facets of performance.
 - Is regarded by other Board members as being an active listener.
 - Regarded as initiator of strategic issues and thinking.
 - Projects a good personal image.
6. *Shows a high level of commitment and loyalty:*
- 100% attendance at meetings.
 - Thoroughly prepares for all meetings.
 - Participates in setting meeting agenda.
 - Judiciously participates in discussion of issues requiring Board decisions.
 - Maintains the Vision, Mission and Values as key foci, within the context of a changing marketplace.

APPENDIX B: POSITION PROFILE DIRECTOR

POSITION PROFILE DIRECTOR

Responsible to:

Membership and specific stakeholders via the Board of Directors.

Role of the Board of Directors:

Section 48 of the Co-operative's Constitution establishes the Powers and Duties of Directors Board in accordance with the Corporations Act whereby the Board:

- manages the Co-operative's business; and
- may exercise all the powers of the Co-operative except any powers that the Corporations Act or the Constitution expressly allocates to the general meeting; and
- may authorise a person or persons to sign, draw, accept, endorse or otherwise execute negotiable instruments for the Co-operative; and
- may delegate any of its powers to any committee or any other person or persons; and
- must establish policies for the guidance of delegates in the exercise of any powers so delegated.

Directors are expected to:

- Provide leadership of the Co-operative within a framework of prudent and effective controls which enable risk to be assessed and managed;
- Set the Co-operative values and standards and ensure that its obligations to Members are understood and met.

The Board sets policies and direction and ensures that the Co-operative's management implements these decisions. A Director has no executive function in the Co-operative and his/her legal "power" exists only at properly convened Board Meetings. Board decisions are transferred to the Co-operative's operations through the CEO.

The Board of Directors holds ultimate accountability to the members even though certain authorities are delegated to the CEO. The CEO is in turn accountable to the Board, through the Chair, and his/her actions are guided by the boundaries of authority granted by the Board.

Position Objective:

To actively contribute towards ensuring that the Board of Directors fulfils its entire duties and responsibilities in the best interests and to the expectations of the members and in accordance with the requirements of the regulatory and business environment.

Key Result Areas:

Each Director needs to:

1. have a clear understanding of a Director's duties as defined by Common Law and the General Law (Corporations Act), together with the numerous other pieces of legislation at both a Commonwealth and State level that place significant added responsibilities on Directors;
2. have a sound knowledge of the Co-operative's Constitution which represents a delegation of powers and duties from the members to the Board of Directors;
3. continually demonstrate a genuine commitment to the **credit union philosophy and principles** incorporating the principles of mutuality, co-operative endeavour and the associated high ethical standards;

4. monitor and maintain an appreciation of the business environment in which both the Co-operative and the broader credit union industry is operating;
5. have a good understanding of the Co-operative strategic and business plans and be ready to actively contribute to the monitoring, review and updating of business performance and strategic direction;
6. have a sound knowledge of the Prudential Standards that relate to Authorised Deposit-taking Institutions (ADIs), including the requirements of Prudential Standards CPS510 "Governance" and CPS520 "Fit and Proper";
7. have a sound knowledge of the Co-operative's Policies and Risk Management Systems and actively engage in their regular review and upgrading;
8. actively engage in Board Committee work where appropriate;
9. monitor, review and where appropriate question the Co-operative performance against strategic and business plans, budgets, prudential and policy targets, performance objectives, measures and standards;
10. actively engage in industry meetings and forums, both as a representative of the Co-operative and as a means to develop knowledge about industry issues impacting on the Co-operative;
11. prepare diligently for Board meetings and planning sessions to ensure a positive contribution is made to the Board's decision-making processes;
12. demonstrate a commitment to an appropriate level of continuing education and professional development;
13. act in the best interests of the Co-operative having regard to the dual roles of members as both shareholders and customers and to the objectives of the Co-operative in serving member needs;
14. ensure that sufficient information is available, and it is properly considered when the Board takes its decisions;
15. demonstrate the appropriate personal and interpersonal skills that includes showing respect for the views of others involved in the decision-making process and projects a good image for the Co-operative in all situations;
16. keep abreast of the ongoing debate in the community about corporate governance standards and expectations taking particular note of the lessons flowing from any external breakdowns in corporate governance performance;
17. contribute towards the creation of a culture in the Co-operative where management is continuously and effectively striving for above average performance, taking account of risk;
18. maintain an ongoing focus on the delivery to members of competitive and innovative products and services to meet members' needs;
19. develop a strong appreciation for the central role of capital in the Co-operative's business, its application to risk and return and the particular complexities that relate to mutual organisations in the raising and servicing of capital;
20. actively support and participate in the performance assessment system for the CEO, the Board, the Chair and individual Directors;
21. seek to avoid any conflicts of interest and to inform the Board should a potential conflict arise;
22. develop a good understanding of the core business activities of lending and deposit taking.

Important Reference Documents relevant to the role of a Co-operative Director:

- Corporations Act 2001
- Australian Prudential Standards for ADIs
- Banking Executives Accountability Regime (BEAR)
- Dnister Constitution
- Co-operative Guidelines for Directors
- Co-operative Policies – Board of Directors, Corporate Governance, Fit and Proper
- Instil (formerly AM Institute) Publications – Director’s Companion, Compliance Manual, Corporate Governance Manual etc.
- Instil (formerly AM Institute) & AICD training course and ongoing professional development programs
- Co-operative Performance Assessment Systems
- Dnister Annual Report to Members

APPENDIX C: DIRECTOR'S PERSONAL CODE OF CONDUCT

DIRECTOR'S PERSONAL CODE OF CONDUCT

(Note Items 1 to 11 are based upon the AICD Code of Conduct)

1. A Director must act honestly, in good faith and in the best interests of the Co-operative as a whole.
2. A Director has a duty to use care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
3. A Director must use the powers of office for a proper purpose, in the best interests of the Co-operative as a whole.
4. A Director must recognise that the primary responsibility is to the Co-operative's Members as a whole but should, where appropriate have regard for the interests of the stakeholders of the Co-operative.
5. A Director must not make improper use of information acquired as a Director.
6. A Director must not take improper advantage of the position of Director.
7. A Director must properly manage any conflict with the interests of the Co-operative.
8. A Director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.
9. Confidential information received by a Director in the course of the exercise of directorial duties remains the property of the Co-operative and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Co-operative, or the person from whom the information is provided, or is required by law.
10. A Director should not engage in conduct likely to bring discredit upon the Co-operative.
11. A Director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principals of this Code.
12. A Director should not undermine fellow Directors once a decision has been made. Directors should preserve "cabinet solidarity" and present a united front after a Board decision has been taken.
13. A Director should comply with the policies of the Co-operative and should be prepared to stand down if the Board determines that a Director is not able to comply with a prudential standard, Board Policies on Fit & Proper responsible persons or the law.
14. A Director that is planning to stand down from the Board should provide a sufficient notice period (at least six months as a guide) to facilitate Board Succession Planning.
15. A Director must not purport to represent a determinative capacity in respect to the Co-operative's policies, process or business dealings, nor hold out to be capable (or willing) to influence the deliberations of the Board of Directors or Executive by reason of holding the office of Director.

APPENDIX D: DIRECTOR INDUCTION

Purpose of Policy

This policy recognises that Corporations Law does not prescribe any minimum standards of training or competence for Directors.

The policy does support governance practices being encouraged by CPS510 and the BEAR, Standards Australia, ASX Guidelines, The Higgs Report (UK, 2003) that encourage/require structured Director induction programs.

Policy

1. All Directors will be required to undertake the minimum role and credit union induction familiarisation reading and activities specified in the procedures included in this policy.
2. The Director induction program will be supervised by the Chair and will actively involve the support of at least another Director and the CEO.
3. The induction program will be ideally completed within three months of the Director commencing their appointment and the Board will minute the Chair's report when each induction is complete.
4. The Board will ensure that a package of information is available to each new Director to facilitate their learning and guide them through the induction program.

Procedures

1. A new Director's induction will comprise of four components:
 - (i) Understanding of Directors' and Board role including: credit union legislation, Corporations Law, Board process, constitution, planning, policy making, and financial monitoring.
 - (ii) Understanding of the Co-operative's member profile, structure, operation, products & services and key suppliers.
 - (iii) Understanding of the financial services industry and the wider credit union movement.
 - (iv) Understanding of the profile of the Co-operative's core Bond and key member and market segments within that Bond.
2. The induction program will be completed using a combination of the following:
 - (i) Reading credit union and industry material provided to the Director by the Board.
 - (ii) Discussions concerning reading material and other related topics with Directors and management team.
 - (iii) Viewing the Co-operative's web site and at least 2 other Credit Union web sites and 2 other financial services providers' sites.
 - (iv) Visiting at least one branch other than the one normally used for member service familiarisation.
 - (v) Attending an industry forum, meeting, and educational activity (eg. AM Institute).
 - (vi) Discussing strategic plan, budget and key policies with Chair and CEO.
 - (vii) Back office familiarisation visit of head office, including presentations by each senior manager.
 - (viii) Issue and/or completion of forms (re: fees, superannuation, confidentiality, expenses) and issue of security and access arrangements.

Director Induction is to be completed for each new Director using the attached 'Director Induction Checklist'.

DIRECTOR INDUCTION PROGRAM CHECKLIST

Director Inductee Name:	
Commencement Date:	

Purpose of Policy

This policy recognises that Corporations Law does not prescribe any minimum standards of training or competence for Directors.

The policy does support governance practices being encouraged by CPS510, Standards Australia, ASX Guidelines, The Higgs Report (UK, 2003) that encourage/require structured Director induction programs.

Policy

1. All Directors will be required to undertake the minimum role and credit union induction familiarisation reading and activities specified in the procedures included in this policy.
2. The Director induction program will be supervised by the Chair and will actively involve the support of at least another Director and the CEO.
3. The induction program will be ideally completed within three months of the Director commencing their appointment and the Board will minute the Chair's report when each induction is complete.
4. The Board will ensure that a package of information is available to each new Director to facilitate their learning and guide them through the induction program.

Procedures	Initials	Date
<p>1. A new Director's induction will comprise of four components:</p> <ul style="list-style-type: none"> (i) Understanding of Directors' and Board role including: credit union legislation, Corporations Law, Board process, constitution, planning, policy making, and financial monitoring. (ii) Understanding of the Co-operative's member profile, structure, operation, products & services and key suppliers. (iii) Understanding of the financial services industry and the wider credit union movement. (iv) Understanding of the profile of the Co-operative's core Bond and key member and market segments within that Bond. 		

Procedures	Initials	Date
<p>2. The induction program will be completed using a combination of the following:</p> <ul style="list-style-type: none"> (i) Reading credit union and industry material provided to the Director by the Board, (ii) Discussions concerning reading material and other related topics with Directors and management team. (iii) Viewing the Co-operative's web site and at least 2 other Credit Union web sites and 2 other financial services providers' sites. (iv) Visiting at least one branch other than the one normally used for member service familiarisation. (v) Attending an industry forum, meeting, and educational activity (eg. AM Institute). (vi) Discussing strategic plan, budget and key policies with Chair and CEO. (vii) Back office familiarisation visit of head office, including presentations by each senior manager. (viii) Issue and/or completion of forms (re: fees, superannuation, confidentiality, expenses) and issue of security and access arrangements. 		

Completion Certification by Board Chairman and Director Inductee

We certify that the induction program has been satisfactorily completed.

Director Inductee

Date

Board Chairman

Date

Schedule 1 – Reviews

The table below details all amendments made to this charter.

Date & Endorsed by	Review changes/comments
15 July - Board	Charter Adopted
20 Aug 2014 – Corporate Governance Committee 26 Aug 2014 - Board	<p>“Credit Co-operative” changed to “Co-operative”</p> <p>“APS 510” changed to “CPS 510”</p> <p>6.1 added in to reflect CPS 510 Internal Audit Report point 45</p> <p>2.2 Number of Directors updated to seven</p> <p>2.8 (ii), (iii), (iv) added to reflect CPS 510 Internal Audit Recommendations</p> <p>7.1 CEO, 2nd in charge updated to CFO</p>
Corporate Governance Committee 4 Aug 2015 Board 25 Aug 2015	<p>Page 2 remove duplicate Charter review table</p> <p>2.3(iii) & 2.10 updated from “CPS 510” to “CPS 510(25)” reference paragraph.</p> <p>2.4(iv) quorum reduced to “four” given maximum 7 directors</p> <p>2.5(iii), 2.11(vii), and 6.3(v) updated to reflect separate Audit and Risk Committees.</p> <p>2.6 Added Policy Code “PER-062”.</p> <p>Section 8 Reviewed to accommodate separate Risk and Audit Committees.</p> <p>Included CFO attendance at Committee meetings.</p> <p>Appendices changed “Co-operative” to “Dnister” where deemed appropriate. i.e. Dnister’s Constitution.</p>
Corporate Governance Committee 14 June 2016 Board 28 June 2016	6.2 Inclusion of succession planning guidelines and aspirational targets.
Corporate Governance Committee 5 Dec 2017 Board 19 Dec 2017	<p>2.8 Title – Amend Compliance & Risk Manager to Chief Risk Officer.</p> <p>4.2 (viii) Annual Report – Remove requirement to include a summary of the Board Annual Review.</p> <p>6.3 (ii) Training & Development – Amend education budget to training budget.</p> <p>7.2 (iii) Senior Manager Succession – Clarified the interim arrangements and updated the table for Senior Manager positions.</p> <p>8.1 Audit & Risk Committees – Amended reporting period from quarterly to on a regular basis and otherwise as required.</p>
12 June 2018 Corporate Governance Committee 26 June 2018 Board	As detailed in the summary of changes document dated 31 May 2018
11 June 2019 Corporate Governance Committee 25 June 2019 - Board	Refer to the summary of changes document dated 11 June 2019 including BEAR.
23 June 2020 Corporate Governance Committee 30 June 2020 Board	Refer to the summary of changes document dated 16 June 2020.
8 June 2021 Corporate Governance Committee 29 June 2021 Board	Refer to summary of policy changes document dated 8 June 2021.



11. Fit & Proper and BEAR Policy

FIT AND PROPER AND BANKING EXECUTIVE ACCOUNTABILTY REGIME POLICY

Document number:	PER – 011 Fit and Proper and BEAR Policy
Status:	Draft
Sponsor:	Company Secretary
Approver:	Corporate Governance Committee
First published:	2006-09
Date of Committee approval:	20210 - 06
Date of Board approval:	2021 - 06
Date for next review:	2022 - 06
File Name:	
Related Policies & Procedures	



DNISTER

Ukrainian Credit Co-operative Ltd

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1 Introduction

Primary responsibility for ensuring the fitness and propriety of individuals holding responsible and accountable person positions within the Co-operative rests with the Co-operative's Board. As a result, the Board has adopted this Policy to "manage the risk to its business or financial standing" that persons acting in responsible and accountable person positions are fit and proper".

To achieve this objective, this Fit and Proper Policy sets out:

1. how the Board will ensure responsible and accountable persons are competent and act with honesty and integrity;
2. the matters the Co-operative will consider in determining if a person is fit and proper for a responsible and accountable person position;
3. the processes that will be followed by the Co-operative in assessing whether a responsible and accountable person is fit and proper;
4. the actions the Co-operative will take if it is not satisfied that a person is fit and proper for a responsible and accountable person position; and
5. is the approved list of responsible persons and the competency matrix as determined by the Co-operative in complying with its Fit & Proper and Banking Executive Accountability Regime Policy in appendix A.

1.1 Prudential Regulation

Prudential Standards CPS 520 and associated Guidance Notes

1.2 Banking Executive Accountability Regime (BEAR)

The Banking Executive Accountability Regime (**BEAR**) was introduced in February 2018 and became operational in the Co-operative from 1 July 2019. The purpose of the BEAR is to establish clear and heightened expectations of accountability for directors and senior executives of Authorised Deposit Institutions (**ADIs**) (**Accountable Persons**). The BEAR also sets out key obligations which must be met by ADIs and its Accountable Persons and the consequences where these obligations are not met. A key objective of the BEAR is therefore to improve the operating culture of ADIs by increasing **transparency and accountability** across the banking sector.¹

The purpose of this Policy is to set out the principle obligations which are established under the BEAR, how the Co-operative implements these obligations and the Co-operative's expectations of its employees in following the spirit and intent of the regime.

1.3 Board Authority

The Board of Directors (the Board) originally adopted this policy statement on 20th Sept 2006, the latest approved version is as noted on the front cover of this document.

1.4 Reviews

The Board reviews and amends this policy, at least annually or more often should major changes occur during the period. A history of review of this policy and extent of recommended and ratified changes are Detailed in Schedule 1.

2 Application of this Policy

This policy applies the Co-operative, its responsible and accountable persons and (as applicable) all employees (including contractors and sub-contractors) of the Co-operative. A responsible person is:

- a Director of the Co-operative;
- a senior manager of the Co-operative; and / or
- an appointed auditor who prepares reports required under the *Banking Act, 1959* (the Act).

An accountable person is:

- a Director of the Co-operative; and / or
- a senior manager of the Co-operative.

Definitions of the Fit & Proper positions, as well as a complete definition of a responsible / accountable person, are contained in chapter 11 definitions. It is worth noting a responsible / accountable person does not need to be an employee of the Co-operative (i.e. they can be a contractor or consultant).

¹ Explanatory Memorandum, Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Bill 2017, p 9.

The Co-operative will maintain a current schedule of responsible and accountable persons and details of the competencies and training required for each position.

Section 1 Banking Executive Accountability Regime

3 BEAR Policy Statement

The Co-operative is committed to implementing and complying with its obligations under the BEAR including the accountability, remuneration, key personnel and notification obligations under the BEAR and the aspects covered in this and associated Policies.

Accountable Persons of the Co-operative, must comply with their accountability obligations under the BEAR in the context of their particular responsibilities as outlined in their Accountability Statement. Where an Accountable Person delegates their responsibilities, they are solely responsible for ensuring that their employees and direct reports comply with the BEAR obligations including (but not limited to) ensuring that appropriate arrangements, systems and controls are in place to support their and the Co-operative's, ongoing compliance with the BEAR obligations.

Where a senior executive holds a position, which meets the criteria of an Accountable Person as defined by the BEAR, the Co-operative will ensure the relevant senior executive is appointed as an Accountable Person in accordance with the BEAR.

The key obligations under the BEAR are to ensure that the Co-operative and its Accountable Persons:

- act with honesty, integrity and with due skill, care and diligence;
- deal with APRA in a way which is open, constructive and cooperative; and
- prevent matters from arising which impact the prudential standing or prudential reputation of the Co-operative.

While the BEAR imposes specific obligations on the Co-operative and its Accountable Persons, all employees must act in a manner which is consistent with these obligations.

Under the BEAR, the Co-operative must not indemnify or ensure the ADI or any of its Accountable Persons from the consequences of breaching a BEAR obligation and therefore no protection will be provided by the Co-operative to any of its Accountable Persons for any such breach.

A more detailed summary of the BEAR obligations is set out in section 3.3 of this Policy.

3.1 Consequence of non-compliance

Serious consequences apply for noncompliance with the BEAR. In addition to existing informal and formal powers which can be used by APRA in implementing the BEAR, the following specific consequences may also apply:

3.1.1 Penalties

Non-compliance with BEAR obligations where the contravention "relates to prudential matter"² attracts serious penalties for the Co-operative as follows:

[If medium sized organisation]

- 250,000 penalty units or \$55.5 million based on the current value of a penalty unit (\$222).

[If small sized organisation]

- 50,000 penalty units or \$11.1 million based on the current value of a penalty unit (\$222).

3.1.2 Disqualification

In addition to financial penalties which may be applied against the Co-operative, APRA can disqualify an Accountable Person if that person:

- has not complied with his or her accountability obligations; and
- having regard to the seriousness of the non-compliance, the disqualification is justified.

Also, if the Co-operative allows a disqualified person to act as an Accountable Person it will commit a strict liability offence and be liable for a penalty of 60 penalty units or \$13,320 (based on the current value of a

² Section 37G

penalty unit at \$222). In addition, it may also have committed a fault-based offence and be liable for a penalty of up to 250 penalty units or \$55,500 (based on the current value of a penalty unit at \$222).

Accordingly, if an Accountable Person is disqualified by APRA, they will not be permitted to be an Accountable Person for the Co-operative which may result in a breach of their employment contract and could result in termination of their employment with the Co-operative.

3.1.3 The Co-operative's Consequences

A breach of the BEAR obligations will be taken seriously by the Co-operative. Therefore, in addition to any consequences which may be applied by APRA for non-compliance with the BEAR obligations, relevant employees of the co-operative, who do not comply with their BEAR obligations or who have willingly or materially, contributed to or caused, a breach of the Co-operative's BEAR obligations, will be subject to disciplinary action being taken by it, in accordance with its Employee Handbook PER-001 and which may include the termination of their employment with the Co-operative.

3.2 BEAR Compliance Framework

The BEAR controls which have been directly established by the Co-operative to implement the BEAR consist of the following key measures:

- **this BEAR Policy** – sets out the Co-operative's commitment to complying with the BEAR and how BEAR obligations have been implemented;
- **the Co-operative's Accountability Map**;
- **Accountability Statements** for each Accountable Person of the Co-operative;
- **Corporate Governance Charter Section 5 Remuneration** – prescribes the minimum standards which must be applied when developing the remuneration and reward structure to ensure positive conduct and behaviour outcomes are achieved;
- **BEAR Training Program** – ensures Directors, senior executives and employees of the Co-operative understand the BEAR and BEAR obligations;
- **Incidents Management Framework (Breach Reporting)** – the framework for identifying and assessing incidents and in particular, sets out the process for identifying and assessing whether there has been a breach of BEAR obligations and reporting obligations for BEAR breaches;

In addition to the above controls there are a number of measures which are in place to support ongoing compliance with the BEAR obligations such as the Co-operative's Governance Framework, Risk Management Framework and Compliance Management Framework. These controls play an integral role in supporting the effective implementation of the BEAR and BEAR obligations. Further detail regarding the particular controls which relate to each BEAR obligation are provided in section 3.3 below.

3.3 BEAR Obligations

The BEAR sets out accountability obligations and operational obligations which apply to the Co-operative, Accountable Persons and (as applicable) its employees. The obligations are both systemic and prudential in nature. The obligations and key measures which are put in place by the Co-operative to comply with these obligations are summarised below:

3.3.1 Reasonable Steps

A number of BEAR obligations impose a standard of 'reasonable steps' to be taken by the Co-operative and/or each Accountable Person to comply with the obligation.

Reasonable steps in relation to a matter include (but are not limited to):

- appropriate governance, control and risk management in relation to that matter;
- safeguards against inappropriate delegations of responsibility in relation to that matter; and
- appropriate procedures for identifying and remediating problems that arise or may arise in relation to that matter.

3.3.2 Accountability Obligations

Obligation	Comments/Interpretation	Application	Dnister Measure
The Co-operative must conduct its business with	The Co-operative must take reasonable steps to conduct its business with	Dnister Ukrainian	Fit and Proper and BEAR Policy

Obligation	Comments/Interpretation	Application	Dnister Measure
honesty and integrity, and with due skill, care and diligence	<p>honesty, integrity, due skill, care and diligence.</p> <p>The terms “honesty”, “integrity”, “due skill” and “diligence” are not defined under the BEAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable).</p>	Credit Co-operative Limited	<p>Employee Handbook</p> <p>Employee Due Diligence Policy</p> <p>Compliance Management Framework Policy</p> <p>Risk Management Framework Policy</p> <p>Corporate Governance Policy</p>
Each Accountable Person must act with honesty and integrity, and with due skill, care and diligence	<p>This is an absolute obligation for each Accountable Person to act with honesty, integrity, due skill, care and diligence.</p> <p>The terms “honesty”, “integrity”, “due skill” and “diligence” are not defined under the BEAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable).</p>	Each Accountable Person	<p>Fit and Proper and BEAR Policy</p> <p>Employee Handbook</p> <p>Employee Due Diligence Policy</p> <p>Conflicts of Interest Policy</p>
The Co-operative must deal with APRA in an open, constructive and cooperative way	<p>The Co-operative must take reasonable steps to deal with APRA in an open, constructive and cooperative way.</p> <p>The terms “open”, “constructive” and “cooperative” are not defined under the BEAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable).</p>	Dnister Ukrainian Credit Co-operative Limited	<p>Fit and Proper and BEAR Policy</p> <p>Compliance Management Framework Policy</p> <p>Risk Management Framework Policy</p> <p>Corporate Governance Policy</p> <p>Breach Reporting Policy</p>
Each Accountable Person must deal with APRA in an open, constructive and cooperative way	<p>This is an absolute obligation for each Accountable Person to deal with APRA in an open, constructive and cooperative way.</p> <p>The terms “open”, “constructive” and “cooperative” are not defined under the BEAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable).</p>	Accountable Persons	<p>Fit and Proper and BEAR Policy</p> <p>Compliance Management Framework Policy</p> <p>Risk Management Framework Policy</p> <p>Corporate Governance Policy</p> <p>Breach Reporting Policy</p>
In conducting its business, the Co-operative must prevent matters from arising that would adversely affect the Co-operative’s prudential standing or prudential reputation	<p>The Co-operative must take reasonable steps to prevent matters from arising that adversely affect the prudential standing of the Co-operative.</p>	Dnister Ukrainian Credit Co-operative Limited	<p>Fit and Proper and BEAR Policy</p> <p>Compliance Management Framework Policy</p> <p>Risk Management Framework Policy</p> <p>Corporate Governance Policy</p> <p>Breach Reporting Policy</p> <p>Conflicts of Interest Policy</p>
In conducting their responsibilities, Accountable Persons must prevent matters from arising that would adversely affect the prudential standing or	<p>Each Accountable Person must take reasonable steps to prevent matters from arising that adversely affect the prudential standing of the Co-operative. The Accountable Person (as applicable) will be taken to have met this obligation if they can establish, they have taken reasonable steps.</p>	Accountable Persons	<p><i>[Insert relevant measures E.g.</i></p> <p><i>Business Unit Risk/Compliance Plans</i></p> <p><i>Business Unit Monitoring and Supervision</i></p>

Obligation	Comments/Interpretation	Application	Dnister Measure
prudential reputation of the Co-operative.			<i>Business Unit delegations' frameworks</i> <i>Business Unit Risk and Compliance Procedures]</i>
Ensure that each of its Accountable Persons meets his or her accountability obligations.	The Co-operative must take reasonable steps to ensure each Accountable Person: <ul style="list-style-type: none"> acts with honesty and integrity and with due skill, care and diligence; deals with APRA in an open, constructive and cooperative way; and takes reasonable steps in conducting those responsibilities to prevent matters from arising that would adversely affect the prudential standing or prudential reputation of the Co-operative. 	Dnister Ukrainian Credit Co-operative Limited	Fit and Proper and BEAR Policy Compliance Management Framework Policy Risk Management Framework Policy Corporate Governance Policy Breach Reporting Policy Conflicts of interest Policy

3.3.3 Key Personnel Obligations

Obligation	Comments/Interpretation	Application	[Insert ADI Name] Measure
Key personnel obligations	The Co-operative must: a) Ensure that the responsibilities of its Accountable Persons cover all parts or aspects of the operations of the Co-operative and specific responsibilities as prescribed by the BEAR; b) Ensure that each Accountable Person is registered; c) Ensure that none of its Accountable Persons have been disqualified; and d) Comply with any direction from APRA to reallocate Accountable Person responsibilities;	Dnister Ukrainian Credit Co-operative Limited	BEAR Policy Accountability Map Accountability Statements

3.3.4 Registrations and Notifications

Obligation	Comments/Interpretation	Application	[Insert ADI Name] Measure
All Accountable Persons must be registered with APRA within the prescribed timeframes	<ul style="list-style-type: none"> If a new Accountable Person is to be appointed into a permanent position, the Accountable Person must be registered at least 14 days prior to the individual commencing as an Accountable Person; If an Accountable Person is to be appointed into a temporary position for 28 days or more, the Accountable Person must be registered 14 days before they commence (if it is known the period will exceed 28 days) or in any case 	Accountable Persons	Fit and Proper and BEAR Policy – Section 3.7 below

Obligation	Comments/Interpretation	Application	[Insert ADI Name] Measure
	<p>at least 14 days before the role exceeds 28 days;</p> <ul style="list-style-type: none"> • Must be in the approved form as prescribed by APRA and at a minimum must include: <ul style="list-style-type: none"> ➤ a completed registration form; ➤ the Accountability Statement for the nominated Accountable Person; and ➤ a signed declaration that the ADI is satisfied that the person is suitable to be an Accountable Person which is made by the Chair of the relevant Board committee or a person delegated to sign on the board's behalf. 		
Notification requirement - Changes to Accountable Persons must be notified to APRA within the prescribed timeframe	<ul style="list-style-type: none"> • Changes to Accountable Persons must be notified to APRA within 14 days where: <ul style="list-style-type: none"> ➤ the person ceases to be an Accountable Person; ➤ an Accountable Person has been dismissed or suspended due to a failure to comply with his or her accountability obligations. • The notification must include an updated registration form. 	Dnister Ukrainian Credit Co-operative Limited CRO or CFO	Fit and Proper and BEAR Policy – section 3.8 below
Notification requirement - Changes to Accountability Map must be notified to APRA within the prescribed timeframe	<ul style="list-style-type: none"> • Must be notified to APRA within 14 days of the change. • Must include a copy of the updated Accountability Map and registration form with a brief description of updates. 	<i>Dnister Ukrainian Credit Co-operative Limited CRO or CFO</i>	Fit and Proper and BEAR Policy – section 3.8 below
Notification requirement - Changes to Accountability Statements must be notified to APRA within the prescribed timeframe	<ul style="list-style-type: none"> • Must be notified to APRA within 14 days of the change. • Must include a copy of the updated Accountability Statement and registration form with a brief description of updates. 	Dnister Ukrainian Credit Co-operative Limited CRO or CFO	Fit and Proper and BEAR Policy – section 3.8 below
Notification requirement - Changes to Remuneration must be notified to APRA within the prescribed timeframe	Changes to remuneration of an Accountable Person must be notified within 14 days after variable remuneration has been reduced due to a failure to comply with the accountability obligations.	Dnister Ukrainian Credit Co-operative Limited CRO or CFO	Fit and Proper and BEAR Policy – section 3.8 below Corporate Governance Charter – Section 5 Remuneration
Notification requirement - Breaches of accountability obligations must be notified to APRA within the prescribed timeframe	Must be notified within 14 days after becoming aware of a breach of accountability obligations by the ADI or by an Accountable Person.	Dnister Ukrainian Credit Co-operative Limited CRO or CFO	Fit and Proper and BEAR Policy – section 3.8 below <i>Breach Reporting Policy]</i>

3.3.5 Remuneration

Obligation	Comments/Interpretation	Application	[Insert ADI Name] Measure
Any variable remuneration relating to an Accountable Person must be deferred in accordance with the amount and period prescribed by the BEAR	<p>The variable remuneration obligation applies to variable remuneration which is greater than \$50,000 for a financial year.</p> <p>In addition to deferral of remuneration the Co-operative must maintain a Remuneration Policy that complies with the BEAR.</p>	<p>Dnister Ukrainian Credit Co-operative Limited</p> <p>Accountable Persons</p>	<p>Fit and Proper and BEAR Policy –</p> <p>Corporate Governance Charter section 5 Remuneration</p>

3.4 BEAR Roles and Responsibilities

The following roles and responsibilities apply to implementation and oversight of the Co-operative:

Accountable Persons	<p>Accountable Persons are responsible for:</p> <ul style="list-style-type: none"> • complying with the BEAR obligations; • ensuring breaches of BEAR obligations are reviewed, assessed and reported in accordance with the Breach Reporting Policy; • reviewing and approving the content of their Accountability Statement; • holding an up to date copy of their Accountability Statement in their personal records; • maintaining their Accountability Statement and advising the CRO / CFO if their responsibilities change and/or the Accountability Statement otherwise requires amendment; • fulfilling the responsibilities which are set out in their Accountability Statement, having regard to the BEAR obligations and in particular, the reasonable steps requirement.
Employees (including contractors and sub-contractors)	<p>Employees are responsible for:</p> <ul style="list-style-type: none"> • ensuring they act in accordance with the scope and authority of delegations and instructions as directed by any Accountable Person or the Co-operative; and • immediately reporting incidents and breaches in accordance with the Breach Reporting Policy.
Human Resources (Appointment of Staff)	<p>Human Resources are responsible for advising the CRO / CFO of the following:</p> <ul style="list-style-type: none"> • all registrations and notifications to APRA, as required under the BEAR obligations, which pertain to Accountable Persons, Accountability Statements and/or the Accountability Map; • ensuring that any new director, executive or other senior manager who is appointed by the Co-operative is assessed to determine whether they fall within the definition of an Accountable Person and if so that the recruitment and appointment of the Accountable Person is consistent with their fit and proper requirements and that the person is otherwise suitable to be appointed as an Accountable Person; • ensuring all new Accountable Persons are registered with APRA as an Accountable Person before they commence in their role with the Co-operative and in any case at least 14 days prior to commencement as an Accountable Person; • developing the Accountability Map for the Co-operative and developing and Accountability Statements for each Accountable Person; • maintaining the Accountability Map and ensuring that any updates to the Map are provided to APRA within 14 days after any change; • maintaining a register of Accountable Persons and their Accountability Statements and ensuring that any updates to Accountability Statements are provided to APRA within 14 days after any change; • notifying APRA within 14 days of the following changes:

	<ul style="list-style-type: none"> ○ an individual ceasing to be an Accountable Person; ○ becoming aware of a breach of accountability obligations by the ADI or an Accountable Person; ○ a reduction in variable remuneration or the dismissal or suspension of an Accountable Person because he or she has failed to comply with their accountability obligations. <ul style="list-style-type: none"> ● ensuring there is a remuneration policy in place which is compliant with the BEAR; ● maintaining and implementing this Fit and Proper and BEAR Policy; ● approving non-material changes to this Fit and Proper and BEAR Policy.
Risk and Compliance	<p>Compliance are responsible for:</p> <ul style="list-style-type: none"> ● independent advice on BEAR obligations or the steps required by the Co-operative or Accountable Persons to comply with the BEAR obligations; ● oversight of implementation of this Fit and Proper and BEAR Policy and compliance with BEAR obligations; ● assessment of incidents and breaches to determine if there is a breach of BEAR obligations and if so, ensuring that the breach is reported in accordance with these obligations.
Board	Approving this Fit and proper and BEAR Policy and any subsequent material amendments.

3.5 Record Keeping

All records which are held in relation to compliance with this Fit and Proper and BEAR Policy and in particular the BEAR obligations should be kept in accordance with the Co-operative's Record Keeping Policy (COBA record keeping policy).

In particular, each Accountable Person should keep record of their Accountability Statement and appropriate records to evidence compliance with performance of their responsibilities and the BEAR obligations, in particular, records in relation to:

- key decisions pertaining to their particular responsibilities;
- meetings relating to key decisions or prudential matters (E.g. records such as meeting agendas, reports, minutes, action logs);
- delegations to or from the Accountable Person;
- organisational changes and the basis for any decisions in relation to these changes; and
- general management oversight.

The Chief Risk Officer must ensure records are kept of the following key documents relating to BEAR registration and notifications:

- the Accountability Map;
- Accountability Statements;
- a register of all current and previous Accountable Persons;
- notifications to APRA in relation to the Co-operative's Accountability Map, Accountability Statements and/or Accountable Persons.

Records relating to any notification to APRA of a breach of BEAR Obligations will be held by the Chief Risk Officer.

3.6 BEAR Definitions and Abbreviations

Term	Definition
Accountability Map	The document which has been created by the Co-operative in accordance with section 37B of the Banking Act 1959 that shows how the responsibilities of Accountable Persons together cover all parts or aspects of the Co-operative's operations.
Accountability Statement	A formal written statement developed for each Accountable Person which complies with section 37FA of the Banking Act 1959 that details the parts or aspects of the Co-operative's operations for which the Accountable Person is accountable.

Accountable Person	<p>A person, including a director, executive or senior manager, that falls within the definition of section 37BA of the Banking Act 1959 and is therefore an Accountable Person for the Co-operative.</p> <p>The general principle for an Accountable Person under the Act is a person who has actual or effective senior executive responsibility for management or control of the Co-operative, or a substantial part of the operations of the Co-operative.</p> <p>In accordance with the regime, any person at the Co-operative must be an Accountable Person if they fall into the following classes of Accountable Persons:</p> <ul style="list-style-type: none"> • all directors of the board of Dnister Ukrainian Credit Co-operative Limited' • individuals with actual or effective senior executive responsibility for management or control of a significant or substantial part of aspect of the operations of the Co-operative; and / or • individuals which senior executive responsibility for one of the particular responsibilities specified in the Act.
Act	Banking Act 1959 (Cth)
ADI	Authorised Deposit-Taking Institution
APRA	The Australian Prudential Regulation Authority
BEAR	The Banking Executive Accountability Regime as set out in Part IIAA of the Act.
Prudential Standing/Prudential Reputation	Those matters which materially impact on the Co-operative's financial position and overall conduct of the Co-operative's affairs with integrity, prudence and professional skill.

3.7 – New Accountable Person Registration

Registration of New Accountable Persons Instruction

The Co-operative is required to register new Accountable Persons with APRA **14 days before** the nominated Accountable Person commences as an Accountable Person. The following steps should be followed when registering a nominated Accountable Person with APRA:

- a) Assess the skills, background and capability in accordance within this Fit and Proper and BEAR Policy and applicable criteria for the position;
- b) Draft an Accountability Statement applying the Accountability Statement template utilised by the Co-operative and which is tailored for the particular Accountable Person's responsibilities;
- c) Review Accountability Statements of other Accountable Persons and the Accountability Map to ensure there are no consequential changes required to existing Accountability Statements and to verify changes required to the Accountability Map;
- d) Provide the draft Accountability Statement to the nominated Accountable Person for review and signing;
- e) Amend and update the Accountability Map for the Co-operative;
- f) Register the new Accountable Person with APRA **14 days before** the appointment of the Accountable Person or at a minimum, **14 days before** the Accountable Person commences in their role³ including submission of the following documents:
 - Completed registration form in the format prescribed by APRA from time to time;
 - Signed declaration that the ADI is satisfied that the person is suitable to be an Accountable Person in the format prescribed APRA from time to time and signed by the Chair of the Board or their delegate;
 - the Accountability Statement for the nominated Accountable Person;
- g) Notify APRA **within 14 days after** the change of any:
 - Updated Accountability Map – i.e. to the extent any consequential changes are required to reflect the new Accountable Person (**refer to Notifications – section 3.8 below**);

³ APRA may query or challenge the nomination of an individual to be an accountable person and his or her responsibilities therefore registration should occur as soon as possible but no later than 14 days before the Accountable Person is due to commence. Individuals are deemed to be registered 14 days after APRA's receipt of a submitted application or any additional information subsequently requested by APRA.

- Updated Accountability Statements of other Accountable Persons – i.e. to the extent any consequential changes are required to reflect the new Accountable Person – (refer to **Notifications – section 3.8 below**).

3.8–Notifications

Person Ceasing to be an Accountable Person Instruction

The Co-operative is required to notify APRA when:

- a person ceases to be an Accountable Person;
- the dismissal or suspension of an Accountable Person because the person has failed to comply with his or her accountability obligations.

The following steps should be followed to notify APRA of a person ceasing to be an Accountable Person:

- a) Notify APRA **within 14 days after** the change of the person ceasing to be an Accountable Person by submitting the following documents:
 - APRA Registration Form completed in the relevant section relating to a person ceasing to be an Accountable Person;
- b) Notify APRA **within 14 days after** the change of any:
 - Updated Accountability Map – i.e. to the extent any consequential changes are required to reflect the person ceasing as an Accountable Person (refer to **Change in Accountability Map Instruction below**);
 - Updated Accountability Statements of other Accountable Persons – i.e. to the extent any consequential changes are required to reflect the person ceasing as an Accountable Person – (refer to **Change in an Accountable Person’s Accountability Statement Instruction below**).
 - Note that if a new Accountable Person has been nominated to replace the person ceasing (who has not previously been registered as an Accountable Person for the Co-operative), registration of the new Accountable Person should occur 14 days before the person commences as an Accountable Person (refer to **New Accountable Person Registration – section 3.7 above**)

Change in Accountability Map Instruction

The Co-operative must notify APRA of any changes to an Accountability Map within **14 days after** the change.

Changes to the Accountability Map of the Co-operative may arise where:

- an Accountable Person has resigned or has been terminated;
- there is a restructure;
- a new Accountable Person is appointed; and / or
- other amendments to the Accountability Map for example arising as a result of a periodic review or update.

The following steps should be followed when notifying APRA of changes to an Accountability Map:

- a) Amend and update the Accountability Map for the Co-operative;
- b) Notify APRA within 14 days **after** the change by submitting the following:
 - Updated Accountability Map; and
 - APRA Registration Form completed in the relevant section to provide a brief description of the update.

Change in an Accountable Person’s Accountability Statement Instruction

The Co-operative must notify APRA of any changes to an Accountability Statement within **14 days after** the change.

Changes to the Accountability Statement of the co-operative may arise where:

- an Accountable Person has resigned or has been terminated;
- there is a restructure or an acquisition;
- other amendments to the Accountability Statement for example arising as a result of a periodic review or update or the Accountable Person’s responsibilities changing.

The following steps should be followed when notifying APRA of changes to an Accountability Statement:

- a) Amend and update the Accountability Statement/s for the Co-operative;
- b) Provide amended Accountability Statement to the Accountable Person/s for review and signing;
- c) Notify APRA **within 14 days after** the change by submitting the following:
 - Updated Accountability Statement/s; and

- APRA Registration Form completed in the relevant section to provide a brief description of the update.

Breach of Accountability Obligations by an ADI Instruction

The Co-operative must notify APRA of becoming aware of a breach of accountability obligations by the ADI or by an Accountable Person.

The following steps should be followed when notifying APRA of a dismissal or suspension of an Accountable Person and/or change to Variable Remuneration due to a Breach:

- a) Notify APRA **within 14 days after** the occurrence of the breach by submitting the following:
 - APRA Notification Form with the relevant section completed.⁴
- b) Undertake such further actions as required by APRA such as providing updates to APRA on remediation actions taken to address the Breach and any other Notifications as required under this BEAR Policy.

Breach of Accountability Obligations by an Accountable Person

The Co-operative must notify APRA of:

- dismissal or suspension of an Accountable Person; and
- a reduction of the variable remuneration of an Accountable Person,

where either of these events have occurred because the person has failed to comply with his or her accountability obligations (**Breach**).

The following steps should be followed when notifying APRA of a dismissal or suspension of an Accountable Person and/or change to Variable Remuneration due to a Breach:

- a) Notify APRA **within 14 days after** the occurrence of each event by submitting the following:
 - APRA Notification Form with the relevant section completed.⁵
- b) Undertake such further actions as required by APRA such as providing updates to APRA on remediation actions taken to address the Breach and any other Notifications as required under this BEAR Policy.

⁴ Multiple notifications may need to be provided in relation to the same breach of accountability obligations.

⁵ Multiple notifications may need to be provided in relation to the same breach of accountability obligations.

Part 2 Fit and Proper Regime

4 Criteria for Assessment

4.1 Criteria for Assessment of Responsible Persons / Accountable Persons within the Co-operative

Responsible persons / Accountable persons within Co-operative must:

- possess the competence, character, diligence, honesty, integrity and judgement to perform properly their duties;
- not be disqualified from holding a responsible person / accountable person position under the *Banking Act, 1959*;
- ideally have no conflict of interest in performing the duties of the responsible person / accountable person position;
- if the person has a conflict of interest, it would be prudent for the Co-operative to conclude that the conflict will not create a material risk that the person will fail to perform properly the duties of the position; and
- for a senior manager be ordinarily resident in Australia.

A person will only be assessed as fit and proper for a responsible person / accountable person position within the Co-operative once all of these criteria are satisfied. The Co-operative will define questions that indicate the ability to meet the character component of these criteria. These questionnaires along with the competency and training requirements will be incorporated into the human resource and Director election practices of the Co-operative, wherever possible. They will always be integrated into the appointment process and the performance evaluation process for every responsible person / accountable person.

Notwithstanding these questions, criteria and processes, it is still a matter for the Board of the Co-operative to make the final decision as to whether or not a person is fit and proper; although, this decision may be overridden by APRA.

Section 6 of this Policy details the process that will occur if a person is not found to be fit and proper.

4.2 Criteria Applying to Responsible Person Auditors

A person serving in a responsible person position as the Co-operative's auditor must also satisfy the criteria mentioned above in relation to responsible person positions within the Co-operative. In addition, to be considered fit and proper the person must:

- (a) be a registered auditor under the *Corporations Act 2001*;
- (b) be ordinarily resident in Australia;
- (c) be a member of a recognised professional body; and
- (d) have a minimum of 5 years relevant experience in the audit of ADIs (which would make it "prudent to conclude that the person is familiar with current issues in the audit of ADIs).

If the Co-operative believes that, despite not complying with the above criteria, there are exceptional circumstances that make it appropriate for a person to continue in a responsible person auditor position, that person may continue in the position and the Co-operative will promptly notify APRA "of which eligibility criteria are not satisfied and of the exceptional circumstances" that make it appropriate for that person to continue in the position. The person may continue to hold the responsible person auditor position until APRA notifies the Co-operative that it is inappropriate.

The Co-operative will define and maintain competency requirements, questions, criteria and tools for the assessment of responsible person auditors, incorporated in the assessment and appointment process.

5 Time for Conducting a Fit and Proper Assessment

Unless stated otherwise in accordance with this Policy, assessments of a person's fitness and propriety for a responsible person / accountable person position will be made:

- (a) prior to a person being appointed to a responsible person / accountable person position; and
- (b) annually (in August) after appointment to a responsible person / accountable person position.

Assessments of a person's fitness and propriety for a responsible person position will not necessarily be made prior to the appointment of that person to a responsible person position where:

- (a) the person holds the position because of a resolution of members of the Co-operative; or

- (b) because APRA has determined in writing that the person is a responsible person / accountable person, as the person plays a significant role in the management or control of the Co-operative, or the person’s activities may materially impact on prudential matters.

In each of these cases, an assessment of the fitness and propriety of the person is required “to be completed within 28 days of the person becoming the holder of the responsible person / accountable person position”.

The Co-operative may conduct reasonable limited checks on fitness and propriety of persons being appointed to responsible person / accountable person positions, if:

- (a) “the regulated institution could not reasonably have anticipated that it would need to appoint someone to the position with sufficient time to conduct a fit and proper assessment; and
- (b) the person holds the position on an interim basis for no more than 90 days or such longer period as APRA agrees in writing”.

However, an assessment of the fitness and propriety of the person will be conducted in accordance with the usual procedures under this Policy as soon as practicable. This includes a full assessment of the fitness and propriety of a person holding an interim position, if that position will extend beyond 90 days or such longer period agreed by APRA in writing.

6 Process for Assessment of Fitness and Propriety

- (a) Assessments of fitness and propriety will be built into the Co-operative’s recruitment and promotion processes for responsible person positions. In terms of recruitment, the assessment must include:
 - (i) Police checks;
 - (ii) Insolvency Check with Australian Financial Security Authority (AFSA)
 - (iii) Disqualification Register Check with APRA and ASIC
 - (iv) Checks on qualifications:
 - (v) Appropriate references being obtained.
- (b) The process for determining the fitness and propriety of a person within the Co-operative being promoted to a responsible person / accountable person position will be the same with the exception of the advertisement of the position.

The authorised person who is responsible for conducting the assessment will vary depending on the responsible person / accountable person position being filled.

6.1 Persons Responsible for Conducting Fit and Proper Assessments

The Co-operative recognises that a number of people need to be involved in conducting assessments of the fitness and propriety of persons commencing employment in a responsible person / accountable person position as well as of persons holding those positions. Consequently, the Co-operative has assigned the following people responsibility for assessing the fitness and propriety of persons applying for or holding the specified responsible person / accountable person positions.

Responsible Person Position	Assessor
Candidates for election as Director	<ul style="list-style-type: none"> • Corporate Governance Committee
Directors Annual Assessment	<ul style="list-style-type: none"> • Corporate Governance Committee
Auditors	<ul style="list-style-type: none"> • Audit Committee

Chief Executive Officer / Company Secretary	<ul style="list-style-type: none"> • Corporate Governance Committee
Executive Management Team	<ul style="list-style-type: none"> • Corporate Governance Committee
Other Management	<ul style="list-style-type: none"> • Chief Executive Officer

6.2 Information to be Obtained by the Co-operative

The Co-operative requires candidates to complete a Responsible Person / Accountable Person Attestation that includes a declaration relating to the criteria APRA requires the Co-operative to consider when making an assessment of fitness and propriety.

As well as conducting interviews, the assessor will complete checks to ensure the candidate's skills and experience fulfil the competence requirements of the position.

All referees provided by the candidate will also be checked.

The Co-operative recognises that, to make a prudent assessment of a person's fitness and propriety, some of the information that it collects in relation to candidates will be "sensitive information as defined in the *Privacy Act 1988*" and may only be obtained with the consent of the candidate. The candidate will be requested to complete a Candidate Consent Form, which also allows the Co-operative to provide any information that it gathers to APRA.

All sensitive information obtained in relation to a candidate will be treated in accordance with the Co-operative's Privacy and Credit Reporting Policy (GOV-033) and Information Security Policy (GOV-060).

6.3 Annual Fit and Proper Assessments

Assessments of responsible persons / accountable persons holding responsible person / accountable person positions will be conducted on an annual basis in August.

The Co-operative has a check list for the annual fit and proper assessments.

Responsible persons / accountable persons are required to complete an annual attestation. This requires a responsible person / accountable person to declare that the information contained in the statutory declaration is true and correct. It also requires responsible persons / accountable persons to add details of additional qualifications, memberships or training they have obtained during the year as well as asking for any other information that may impact on their assessment as a fit and proper person.

If the Co-operative or the person responsible / accountable person for assessing the fitness and propriety of a responsible person / accountable person, "becomes aware of information that may result in the person being assessed as not fit and proper", a new fit and proper assessment will occur promptly in relation to the responsible person / accountable person. This will include undertaking reasonable inquiries and, if necessary, collecting sensitive personal information and will take into account the possible materiality of the matter.

6.4 Documentation of Fit and Proper Assessments

The Co-operative will document each fit and proper assessment conducted in accordance with this Fit and Proper Policy for each responsible person / accountable person and will retain such documentation for current responsible person / accountable person position and "recently past" responsible persons / accountable persons of the Co-operative. The Co-operative will also retain copies of "information considered in making the assessment". These documents will be stored in a locked filing cabinet by the Chief Risk Officer.

7 When a Responsible Person is not Fit and Proper

If, after the Co-operative has made reasonable enquiries into a person's background for the purpose of assessing them for a responsible person / accountable person position, the Co-operative does not consider the person to be fit and proper (or if a reasonable person in the Co-operative's position would hold that opinion), then the Co-operative will:

- (a) “take all steps it prudently can to ensure that the person is not appointed to, or for an existing responsible / accountable person, does not continue to hold, the responsible person / accountable person position”; or
- (b) if the Co-operative is “unable to refuse to make the appointment or remove the person” from the responsible person / accountable person position, it will notify APRA (refer to *Informing APRA of Certain Information* in this policy for details of the information to be given to APRA). The Co-operative will “not hinder APRA in exercising or considering the exercise of, its powers of removal and disqualification in relation to the person”.

The Co-operative must notify APRA “within 10 business days if it assesses that a responsible person / accountable person is not fit and proper”.

8 Whistleblowing

As detailed in the Employee handbook PER-001, the Co-operative is committed to fulfilling its obligations under CPS 520 by ensuring a free flow of relevant information to relevant positions in the organisation. Therefore, in accordance with CPS 520, the Co-operative has developed the whistleblowing policy PER-081 (and associated confidential and secure mechanisms) to protect persons making reports to the Co-operative, APRA or other relevant regulatory authority about any non-compliance or unethical behaviour.

In particular the Co-operative encourages reporting of the following beliefs where they are held in good faith.

Reportable belief	Who should make the report	To whom the report should be made	What should be reported
A belief that a responsible person / accountable person does not meet the Co-operative’s fit and proper criteria	Employees or Directors of the Co-operative	The person responsible for the assessment of the fitness and propriety of the responsible person / accountable person or APRA or both	The belief and the reasons for it
A belief that the Co-operative has not complied with CPS 520	Employees or Directors of the Co-operative or other persons	APRA	The belief and the reasons for it

To ensure that there can be full disclosure to APRA, the Co-operative will “not constrain, impede, restrict or discourage, whether by confidentiality clauses, policies or other means” a person with a belief that a responsible person / accountable person or the Co-operative has not complied with CPS520 “from disclosing information or providing documents to APRA”.

Additionally, employees and all responsible persons / accountable persons will be provided with training in this policy at their induction. They will also be reminded of the policy during their performance evaluations that no person who makes a disclosure regarding compliance with CPS 520 will be “subject to, or threatened with, a detriment because of any notification” and that any person who held a responsible person / accountable person position may disclose information or provide documents to APRA “relating to their reasons for resignation, retirement or removal” or discuss the matter with APRA.

8.1 Investigation of the Belief

When a person (the whistleblower) reports a belief that a responsible person / accountable person does not meet the Co-operative’s fit and proper criteria to the person responsible for making the assessment (the assessor), that assessor will keep the report “confidential and secure within the law” and will re-assess the responsible person’s fit and proper status “with the objective of locating evidence that either substantiates or refutes the claims made by the whistleblower”. If anonymity during the investigation cannot be maintained, a person may request relocation or a leave of absence.

Investigation of the report will include locating evidence, which may necessitate a request for more information from the whistleblower. The Co-operative will provide the whistleblowers with feedback on the investigation into the re-evaluation of the person’s fit and proper assessment. The Co-operative will also provide the whistleblower with protection from retaliation. The identity or any information that could identify the whistleblower will not be released to any person who is not involved in the investigation or resolution of the matter.

The Co-operative will take all reasonable steps to ensure that no whistleblower making a disclosure to the Co-operative or to APRA is threatened with, a detriment such as dismissal, demotion, any form of harassment, discrimination or current or future bias, because of their report under this Fit and Proper Policy.

Should a person who has reported a belief that a person is not fit and proper, or a belief that the Co-operative is not complying with CPS 520, believe that they have experienced any such disadvantage, the person is encouraged to report this belief to a Director of the Co-operative, or APRA or both.

8.2 Abuse of Reporting Process

Abuse of the confidential reporting process will not be tolerated. Maliciously reporting unfounded allegations will be treated seriously. All reports made under the confidential reporting process must be made in good faith.

8.3 Monitoring and Training

The Co-operative will monitor and review these whistleblowing provisions annually to assess their effectiveness in encouraging the reporting of reportable beliefs, protection of persons making reports, investigating fairly and effectively and rectifying mistaken assessments.

This monitoring will be facilitated by reports to the Board that will not compromise confidentiality.

Training and education regarding these provisions will be conducted on a regular basis, including practical advice and the criteria used to assess whether a person is a fit and proper person and encourage whistleblowing to its Directors and to those of its employees, “who are likely to have information relevant to fit and proper assessments”.

9 Informing APRA of Certain Information

CPS 520 and BEAR impose on the Co-operative a number of obligations to notify APRA of certain information, in writing and, at times, in the prescribed manner, to ensure that all information provided to APRA remains current for all responsible persons. The Co-operative will comply with these obligations which can be summarised as follows:

Circumstance giving rise to notifying APRA	Information to be notified to APRA	Time at which information to be notified
Appointment or election of a person to a responsible person / accountable person position	“The following details, to the extent known to the regulated institution: <ul style="list-style-type: none"> • the person’s name, date of birth (for identification purposes only), the person’s position and main responsibilities; and • a statement whether the person complies with the fit and proper criteria as applicable. 	Within 28 days of the appointment BEAR within 14 days by lodging an accountability statement and updated accountability map.
A responsible person / accountable person resigns, retires or is removed.	Notification of that change.	Within 28 days of the change BEAR within 14 as above.
There is a material change in the responsibilities of a responsible person / accountable person.	Details of the material change to the responsibilities of a responsible person / accountable person.	Within 28 days of the change BEAR within 14 days as above.
The Co-operative “forms the belief that a person is not fit and proper for a responsible person / accountable person position they hold”	The basis for the belief and: <ul style="list-style-type: none"> (a) if the person remains in the responsible person / accountable person position, the notification must state the reason for this and the action being taken; or (b) if the person no longer holds the responsible person / accountable person position for which the regulated institution considers they 	“As soon as practicable, and in any event, within 10 business days after the date when the relevant belief was formed.” BEAR within 14 days as above.

Circumstance giving rise to notifying APRA	Information to be notified to APRA	Time at which information to be notified
	were not fit and proper, a statement of that fact.	
The Co-operative “forms the belief that information material to an assessment required by the Fit and Proper Policy is held by any person but that, having taken reasonable steps to obtain the information from that person, it has not been obtained within a reasonable time.”	The following: (a) “what the information relates to; (b) who has it; (c) what steps the Co-operative has taken to obtain it.”	“As soon as practicable, and in any event, within 10 business days after the date when the relevant belief was formed.” BEAR within 14 days as above
Annual reporting	The following: (a) “a list of the Co-operative’s responsible persons / accountable persons with, for each, their date of birth (for identification purposes only) and the responsible person position that they hold at the date of lodgement of the list.	Annual D2A Reporting ARF520 Report as at 31 March. BEAR, as and when changes occur and then within 14 days.
A request from APRA for information or documentation “to assist APRA in assessing the fitness and propriety of a person” for CPS 520.	The information requested, which may include a copy of the Fit and Proper Policy.	As specified at the time by APRA

10 Review and Publication of Fit and Proper and BEAR Policy

This Fit and Proper and BEAR Policy is not a static document and should at all times reflect the Co-operative's statutory obligations and best practices. Consequently, this policy will be reviewed at least annually and when new guidelines are issued by APRA or other statutory bodies to ensure that both the policy and the implementation of the policy meet the current requirement.

The Co-operative will make the policy available to any person upon request. A copy of the Fit and Proper and BEAR Policy will also be provided to all candidates for election as a Director "as soon as possible after the candidate is nominated" as well as to "any other person before an assessment of their fitness and propriety is conducted".

There will also be an annual training session for all responsible persons / accountable persons on the provisions of this Fit and Proper and BEAR Policy and a copy will be given as part of the induction process to all persons employed, promoted or elected into a responsible person / accountable person position.

11 Fit and Proper and Risk Management

Having a person who is not fit and proper employed in a responsible person / accountable person position must be considered a compliance risk. Consequently, this Fit and Proper and BEAR Policy will form part of the Co-operative's risk management system as required under *Prudential Standard APS 310 Audit and Related Arrangements for Prudential Reporting*.

12 Definitions

12.1- Responsible Person Definitions

Director

A Director is defined in section 9 of the *Corporations Act 2001* as:

- (a) “a person who:
 - (i) is appointed to the position of a director; or
 - (ii) is appointed to the position of an alternate director and is acting in that capacity; regardless of the name that is given to their position; and
- (b) unless the contrary intention appears, a person who is not validly appointed as a director if:
 - (i) they act in the position of a director; or
 - (ii) the directors of the Co-operative are accustomed to act in accordance with the person's instructions or wishes.

Subparagraph (b)(ii) does not apply merely because the directors act on advice given by the person in the proper performance of functions attaching to the person's professional capacity, or the person's business relationship with the directors or the Co-operative body.”

Responsible Person / Accountable Person

A responsible person is defined in paragraph 14 of CPS 520 and the BEAR as

- (a) a director of the regulated institution;
- (b) a senior manager of the regulated institution;
- (c) an appointed auditor who provides any report in relation to the ADI that is required to be prepared by an auditor under the Banking Act, prudential standards made under the Banking Act or reporting standards under the Financial Sector (Collection of Data) Act 2001 (responsible person auditor); and
- (d) any other person whom APRA determines by notifying the regulated institution in writing being a person whom APRA is satisfied plays a significant role in relation to the management or control of the regulated institution, or provides services or support for it which are of a prudentially significant nature.”

Responsible Person / Accountable Person Position

The “responsible person / accountable Person position means the functions and duties to be undertaken by a responsible person / accountable person that involve any relevant activities. A person need not be an employee of the regulated institution to be a responsible person / accountable person. In some circumstances a consultant or contractor may be a responsible person / accountable person.”

Senior Manager

A Senior Manager is any person who is responsible for senior management activities. These activities “may materially affect the whole or a substantial part of the regulated institution’s business or its financial standing” and may include any of the following:

- “(a) participation in decision making;
- (b) implementing strategies and enforcing policies approved by the Board of directors;
- (c) developing and implementing processes or systems that identify, assess, manage or monitor risks in relation to business activities and operations; and
- (d) monitoring the appropriateness, adequacy or effectiveness of risk management systems.”

Normally, this will not extend beyond the CEO, and those reporting to the CEO.

Appendix A

The Co-operative's Schedule of Responsible Person / Accountable Person Positions

Designated Responsible Persons as at 11 June 2019

Category of Responsible Persons / Accountable Persons	Responsible Person / Accountable Person Position	Name of Responsible Person / Accountable Person	Date of Birth
Directors	Chairman	David Hassett	27/12/1964
	Director / Deputy Chairman	Bohdan Wojewidka	3/4/1956
	Director	John Lipkiewicz	25/9/1955
	Director	Michael Kwas	26/1/1946
	Director	Wal Mykytenko	3/11/1938
	Director	Andrew Pavuk	4/12/1956
	Director	David Makohon	14/10/1982
	Company Secretary	Liam Tiernan	26/4/1968
Senior Managers	Chief Executive Officer	Liam Tiernan	26/4/1968
	Chief Financial Officer/Deputy CEO	Vacant	
	Lending & Member Services Executive	Ivanna Bernyk	19/1/1974
	Marketing & ICT Executive	Sonja van de Camp	24/10/1970
	Chief Risk Officer	Philip Timewell	15/03/1962
Auditors	Crowe Horwath	David Munday	13/03/1976
	K S Nathan Chartered Accountants	Siva Nathan	

The Co-operative's Responsible Person / Accountable Person Competency Matrix

As required by CPS 520 and BEAR and using RG 105 as guidance, the Co-operative has defined and documented "the competencies required for each responsible person / accountable person position" as follows. This documentation includes "any training or induction processes required" for each responsible person / accountable person position "on appointment to the position and on an ongoing basis".

Category of Responsible Persons	Responsible Person Position	Competencies necessary prior to commencement	Induction process	On-going training
Directors	Director	<u>Each Director:</u> - industry knowledge/ experience - knowledge of the Co-operative & Ukrainian community - ability to probe and challenge key strategic issues and an ability to understand all stakeholders' views and issues - communications skills <u>Combined Directors Skills</u> - financial skills - audit & risk management - corporate governance understanding	Policies and procedures of the Co-operative. Directors Handbook Introduction to Understanding Financial Reports	AICD, AM I or other professional industry related development programs
	Chairman	-effective leader and motivator - Strategic Focus - Mentor for Directors - Good Judgement		

The Co-operative's Responsible Person Competency Matrix

Category of Responsible Persons	Responsible Person Position	Competencies necessary prior to commencement	Induction process	On-going training
Senior Managers	Company Secretary	Professional degree (either legal or financial) and prior experience in a similar role	Policies and Procedures Directors Handbook Employees Handbook	AICD, AMI or other professional industry related development programs
	Chief Executive Officer	Degree level commerce qualification and 5 years' experience in a senior managerial position	Policies and Procedures Employees Handbook	AMI or other related professional development programs
	Chief Financial Officer/Deputy CEO	Degree level accounting qualifications, CA/CPA, and 5 years' experience in a senior managerial/finance position		
	Lending & Member Services Executive	5 years' experience in a senior lending position		
	Marketing & ICT Executive	5 years' experience in a senior management position		
	Chief Risk Officer	Degree level commerce or law qualifications and/or 5 years' experience in a senior compliance or risk position and/or meets widely adopted relevant industry standard, or relevant standard set by APRA.		

Appendix B Fit and Proper Documentation

Document B 1: Responsible Person / Accountable Person Checklist- Directors & Executive Management

IMPORTANT: The Fit & Proper check must be completed within 28 days of the new manager / Director commencing, as ASIC will apply penalties if not advised within this timeframe.

Applicant: _____

- Note that all the necessary forms below can be found in the system at;
w:\Compliance\3.9 Fit & Proper\Current Forms
- Document 2.1: Character Criteria for Fit and Proper Assessment
 - To be completed by person Fit & Proper is being performed on, and witnessed by those able to witness statutory declarations.
- Document 5: Candidate Consent Form
 - To be completed by person Fit & Proper is being performed on before you are able to collect any information for the Fit & Proper checks.
- Document 7: Director Independence Declaration.
 - To be completed by person Fit & Proper is being performed on.
- Conflict of Interest Declaration.
 - To be completed by person Fit & Proper is being performed on.
 - Is the assessor confident that these conflicts will not create a material risk that the person will not properly perform their duties.
- Deed of Confidentiality.
 - To be completed by person Fit & Proper is being performed on.
- Verification of the individual's claimed qualifications from the issuing institution(s) – Copies of Degrees etc. To be verified with the institution/organization/association.
 - 1
 - 2
 - 3
 - 4
- Verification of the individual's claimed experience from previous employers or co-workers.
 - 1
 - 2
 - 3
- Candidate's Reference Check – call and performs the reference check. The form can be found in the compliance folder as noted above.
 - 1
 - 2
 - 3
- Police Check/Court Check - Australian Federal Police (AFP)
 - To be completed by person Fit & Proper is being performed on.
 - Send to AFP with required payment cheque to obtain the police report – this may take up to 6 weeks, so it is essential to get this posted ASAP.
 - Applications may be processed online.

- Bankrupt person and company search and insolvency check – Australian Financial Security Authority (AFSA)
 - To be completed by the Compliance & Risk Manager using Veda credit checking facility in lending department. They will send a response back with what their records retrieved.
- Professional Association enquiries – i.e. CPA
 - Check with organization if their membership is still valid
- Check ASIC Register – Banned and Disqualified Persons
 - www.search.asic.gov.au/ban.html check under AFS banned/ disqualified persons. Printout the list and make sure to hit the **more** button to ensure that there aren't two or more pages.
- Check APRA Registers – Disqualification and Enforceable Undertakings Registers
 - www.apra.gov.au/Disqualification-Register-List.cfm printout the list and check that the person is not on this list.
 - www.apra.gov.au/CrossIndustry/Pages/EnforceableUndertakings.aspx printout the list and check that the person is not on this list.
- If there are any adverse findings to any of the above, then further investigation may be required. Whether required or what the nature of this is will have to be determined on a case by case analysis.
- Screen against the Transwatch system as required under the AML / CTF program.
- A Meeting must be called of the Corporate Governance Committee. They must then assess with the information gathered, or any other knowledge they may have, whether that person is Fit & Proper for their position and possess the requisite competence to carry out the position;
 - Director standing for re-election
 - New person standing for election.
 - Annual director assessment
 - Chief Executive Officer/Company Secretary
 - Executives
 - Auditors

Corporate Governance (Nominations) Committee Members Assessing;

Signature:

Name:

Date:

ADDITIONAL CHECKLIST FOR APPROVED PERSONS ONLY

- ASIC will have to be informed. **This must be done within 28 days or late fees will apply.** (Chief Risk Officer)
- APRA will have to be informed. (Chief Risk Officer)
- Provide new Director, Manager, or Auditor with copy of current Policies and Charters. (Chief Risk Officer)
- Send outlook invitation for Board and Committee Meetings (Director only) (CEO/Company Secretary)
- Announcement of appointment – internally and externally (Chairman and CEO)
- Building security access (FOB). (Chief Financial Officer)
- Update Phone Listing and Website Director/ Manager Profile (Marketing & ICT Executive)
- Update Business Continuity Plan (BCP) (Chief Risk Officer)
- Update Conflict of Interest Matrix (Chief Risk Officer)

This completes the process and the file can now be stored in the Fit & Proper file for our records.

Chief Risk Officer.

Signature:

Name:

Date:

Document B 2: Character Criteria for Fit and Proper Assessment upon election or prior to appointment to a responsible person / accountable person position.

2.1: Character Attestation

Responsible Person / Accountable Person Character Attestation Form

I _____ of _____ state that at no time have I:

- Failed to comply, in any material respect, with the Co-operative Constitution, Corporate Governance Charter and Policies, and Director`s code of conduct.
- Failed to discharge with diligence, honesty, integrity, or judgment my responsibilities as a director or manager of, or professional services provider to, a body corporate, statutory body, partnership trust, or commercial enterprise of any kind.
- Been subject to 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 my conduct in relation to:
 - (i) the management of an entity; or
 - (ii) commercial or professional activities.
- Been subject to civil or criminal proceedings, or enforcement actions, in relation to:
 - (i) the management of an entity; or
 - (ii) commercial or professional activities;that were determined adversely against me (this includes my consenting to an order or direction, and to my giving an undertaking not to engage in unlawful or improper conduct) and which reflected adversely on my competence, character, diligence, honesty, integrity or judgement.
- 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 where I engaged in conduct that caused or contributed to the entity`s expulsion, exclusion or non-admission.
- 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 where I engaged in conduct that caused or contributed to the refusal or revocation of the licence or authority.
- Had my appointment terminated, or been asked to resign, from a position as director or manager or professional service provider to an entity in circumstances which reflected adversely on my competence, character, diligence, honesty, integrity, or judgment in discharging my responsibilities in the position.
- Seriously or persistently failed to manage my debts or financial affairs in accordance with my contractual or other legal obligations where this failure caused loss to others.
- Been or acted as a director or manager of, or professional advisor to, an entity that:
 - (i) was, or later came to be, insolvent;
 - (ii) was, or later came to be, under insolvency administration;
 - (iii) was, or later came to be, under statutory or judicial management; or
 - (iv) 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.

Document B 2: Character Criteria for Fit and Proper Assessment upon election or prior to appointment to a responsible person / accountable person position.

2.1: Character Attestation

- Contravened any regulatory requirement or professional standard relating to:
 - (i) the management of an entity; or
 - (ii) 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 perpetuated or participated in negligent, deceitful or otherwise discreditable business or professional practices.
- Failed to comply with a fit and proper policy of an APRA-regulated institution.

I further attest that I have never been disqualified from holding a responsible person position under the *Banking Act 1959 (Cth)*.

Signed:

Signature

Date

Witness

Date

Print Witness Name

Document B 2: Character Criteria for Fit and Proper Assessment

2.2: Questions Asked of Nominated Referees

Introduce yourself.

[Name of responsible person / accountable person] has applied for the position of [insert position] at Co-operative. S/he has nominated you as a referee.

The Australian Prudential Regulation Authority has issued *Prudential Standard CPS 520 Fit and Proper Person and the BEAR Act*, which requires certain information to be collected about and attested to by candidates for what it terms Responsible Persons / Accountable Persons Positions. [Insert position] is such a position and we have been authorised by [name of responsible person / accountable person] to ask you about issues contained in the Standard. I can fax you a copy of their consent form if you wish.

I have a series of questions to ask as to the eligibility of [name of responsible officer / accountable person] for the position.

Competence

To the best of your knowledge does [name of responsible officer] possess the following:

- [Insert claimed academic credentials]
- [Insert claimed experience and probe on performance]
- [Insert claimed professional memberships]

Do you think [name of responsible person / accountable person] is competent to perform the role of [insert position]?

Yes

No Details:

Character

To the best of your knowledge has [name of applicant] ever:

- Failed to discharge his/her responsibilities as a director or manager of, or professional services provider to, a body corporate, statutory body, partnership trust, or commercial enterprise of any kind with diligence, honesty, integrity, or judgement?

No

Yes Details:

- Been subject to 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 his/her conduct in relation to:

(i) the management of an entity; or

(ii) commercial or professional activities?

No

Yes Details:

Document B 2: Character Criteria for Fit and Proper Assessment

2.2: Questions Asked of Nominated Referees

- Been subject to civil or criminal proceedings, or enforcement actions, in relation to:
(i) the management of an entity; or
(ii) commercial or professional activities;

that were determined adversely against him/her (this includes him/her consenting to an order or direction, or to him/her giving an undertaking not to engage in unlawful or improper conduct) and which reflected adversely on his/her competence, character, diligence, honesty, integrity or judgement?

No

Yes Details:

- Been expelled or excluded from, or refused admission to, a professional or industry body, or a clearing house or exchange?

No

Yes Details:

- 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 where he/she engaged in conduct that caused or contributed to the entity's expulsion, exclusion or non-admission?

No

Yes Details:

- Been refused a licence or authorisation relating to a commercial or professional activity, or had such a licence or authorisation revoked?

No

Yes Details:

- 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 where he/she engaged in conduct that caused or contributed to the refusal or revocation of the licence or authority?

No

Yes Details:

Document B 2: Character Criteria for Fit and Proper Assessment

2.2: Questions Asked of Nominated Referees

- Had his/her appointment terminated, or been asked to resign, from a position as director or manager or professional service provider to an entity in circumstances which reflected adversely on his/her competence, character, diligence, honesty, integrity, or judgement in discharging his/her responsibilities in the position?

No

Yes Details:

- Seriously or persistently failed to manage his/her debts or financial affairs in accordance with his/her contractual or other legal obligations where this failure caused loss to others?

No

Yes Details:

- Been or acted as a director or manager of, or professional advisor to, an entity that:

(i) was, or later came to be, insolvent;

(ii) was, or later came to be, under insolvency administration;

(iii) was, or later came to be, under statutory or judicial management; or

(iv) 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?

No

Yes Details:

- Contravened any regulatory requirement or professional standard relating to:

(i) the management of an entity; or

(ii) commercial or professional activities?

No

Yes Details:

- 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?

No

Yes Details:

Document B 2: Character Criteria for Fit and Proper Assessment

2.2: Questions Asked of Nominated Referees

- Breached a fiduciary obligation or other legal or professional obligation involving trust or conflict of interest or perpetuated or participated in negligent, deceitful or otherwise discreditable business or professional practices?

No

Yes Details:

- Failed to comply with a fit and proper policy of an APRA-regulated institution?

No

Yes Details:

- Been disqualified from holding a responsible person position under the *Banking Act 1959 (Cth)*?

No

Yes Details:

As far as you are aware, does [name of responsible person] hold any conflict(s) of interest (or perceived conflict(s) of interest) with the position of [insert position]?

No

Yes Details:

Is there any other fact of which you think we need to be aware that goes to [name of responsible person]'s competence, character, diligence, honesty, integrity and judgement to perform their duties?

No

Yes Details:

Thank interviewee for time.

Signed by the Interviewer:

Signature

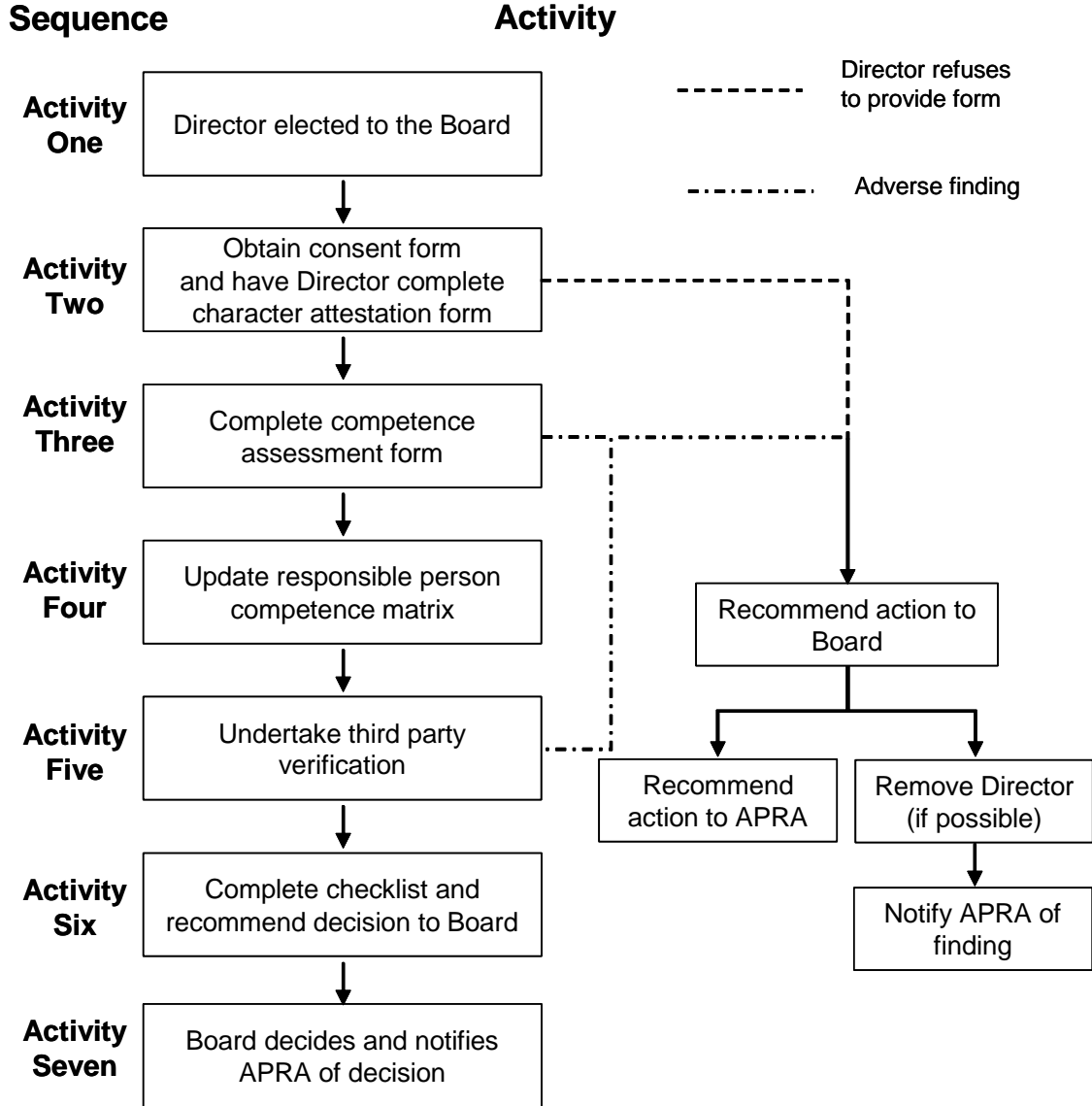
Name

Date

Document B 3: Responsible Person / Accountable Person Appointment Process

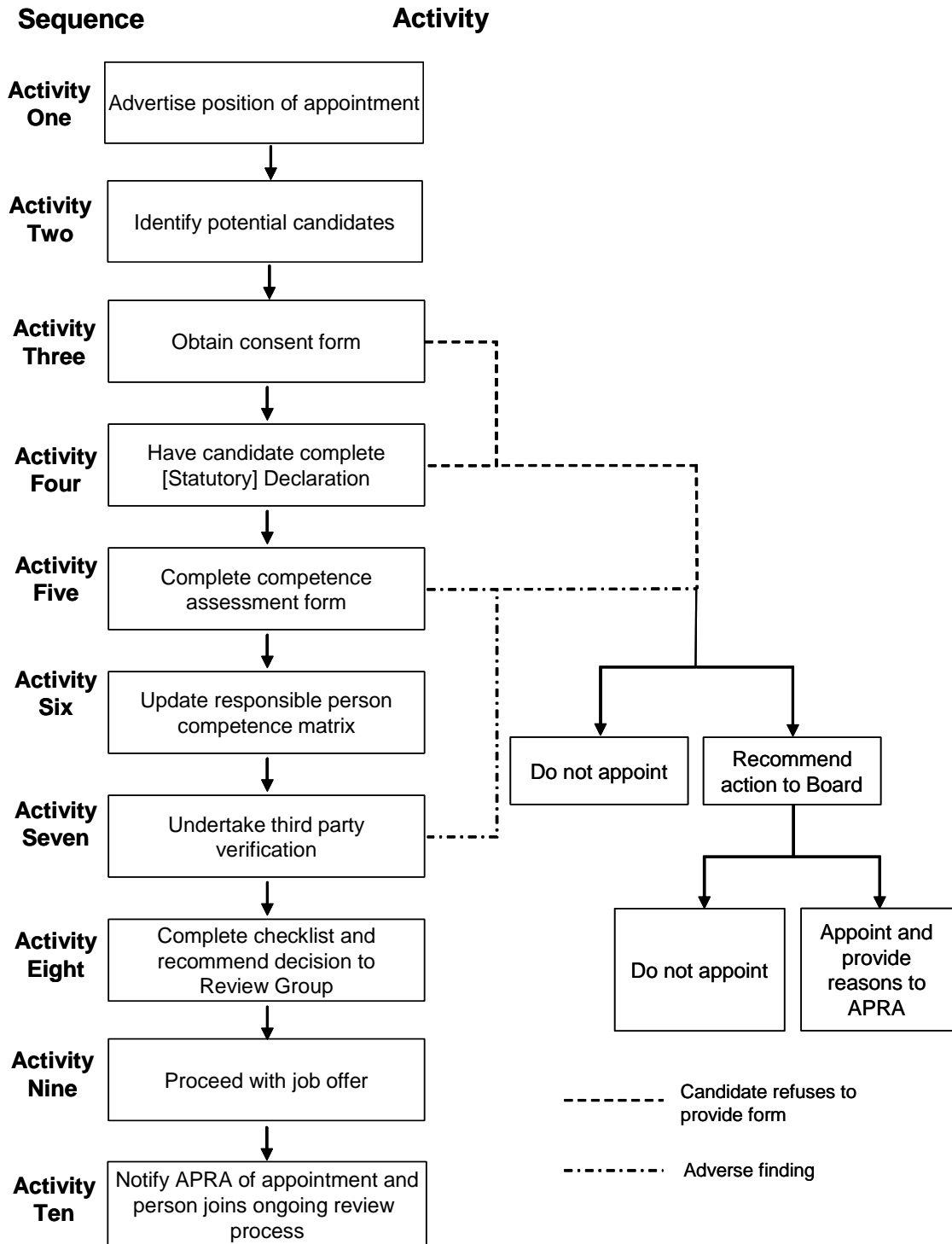
3.1: Director Appointment Process

Activities involved in reviewing directors



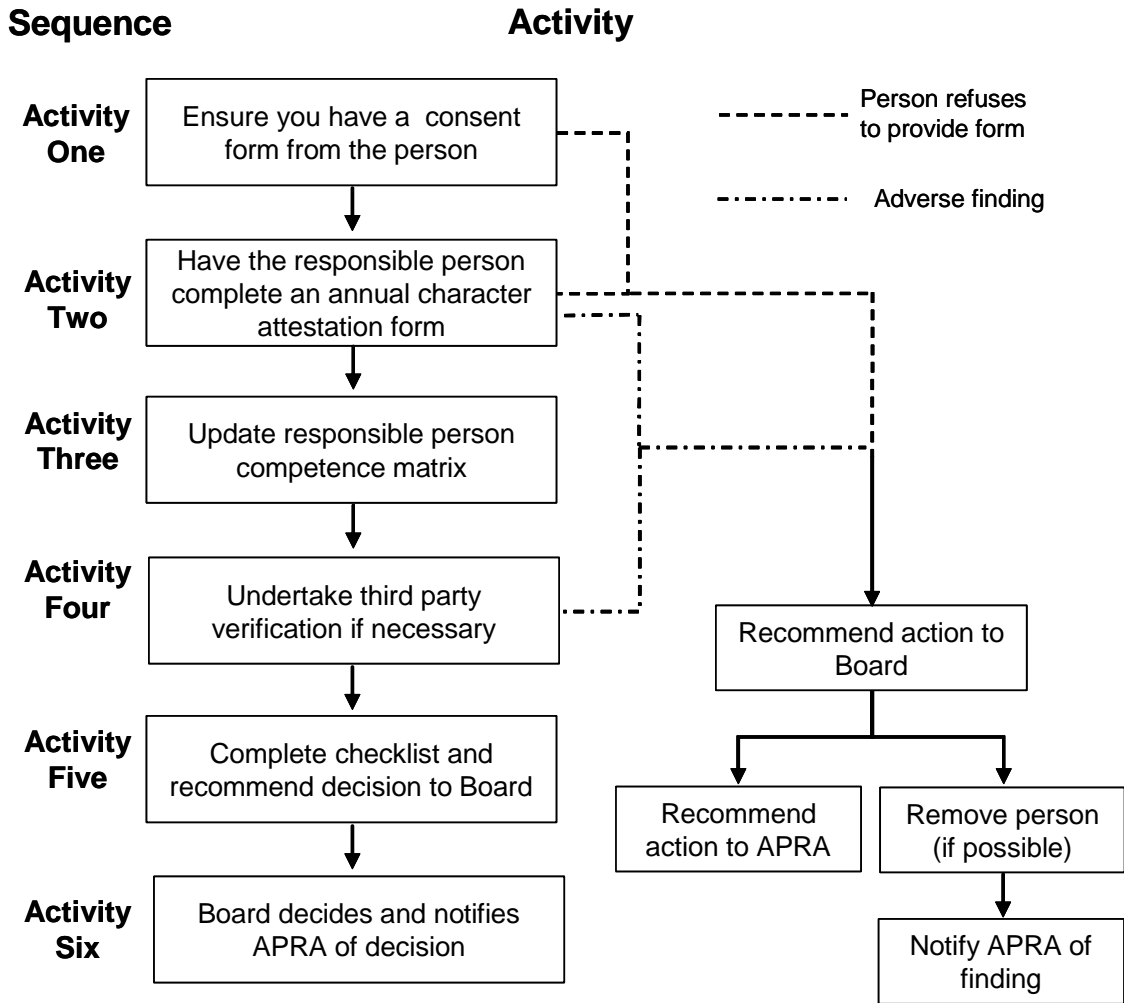
3.2: Management Responsible Person / Accountable Person Appointment Process

Process for ensuring responsible person appointments are fit and proper



3.3: Annual Review Process

Activities involved in reviewing responsible persons



Document B 4: Competence Assessment Form

Competence Assessment Form

Name of person being assessed: _____

Ensuring key decision makers at Co-operative are fit and proper is a key responsibility of the Board. To guide this process, the Board has established the following list of questions and criteria that are to be considered when assessing an individual’s competence. The Assessor, however, may take into account other relevant factors not listed here.

Skills

Does the individual possess appropriate formal qualifications for the position (please provide details)?

Qualification	Year awarded	Awarding Institution

Experience

Does the individual possess appropriate experience for the position (please provide details)?

Position	Tenure	How relevant	Other

Does the person fulfil the competence requirements set out in Co-operative’s position description? If not, please provide evidence that the person is competent to fill the position:

Please list any other relevant factors that you believe highlight the person possesses the appropriate skills and experience for the position:

Signed by the Assessor:

Signature

Name

Date

Document B 5: Candidate Consent Form

Consent Form Regarding Recruitment and Review of Incumbents for Responsible Person / Accountable Person Positions

The Australian Prudential Regulation Authority (APRA) has issued *Prudential Standard CPS 520 Fit and Proper and the BEAR Act* that requires certain information to be collected about and attested to by candidates for what it terms Responsible Person / Accountable Person Positions. In relation to this information and other information collected by Co-operative about you during its recruitment / election / appointment or review process, Co-operative is required to comply with the *Privacy Act 1988 and Privacy Amendment (Enhancing Privacy Protection) Act 2012* (the Act), which places minimum standards on private sector organisations for the way they collect, use, disclose and store personal information about individuals. Procedures have been implemented within Co-operative to safeguard and protect your personal information at all stages within the process.

To enable us to manage our process effectively and obtain and maintain your details within the guidelines of the Act, we seek your consent to:

1. Collect, review and store your personal information for recruitment and/or assessment of your fitness and propriety to hold a Responsible Person / Accountable Person Position;
2. Complete reference checks based on your nominated referees, if required;
3. Obtain information from professional bodies with which you claim to be affiliated;
4. Obtain information from educational institutions or other training organisations from which you claim to hold qualifications;
5. Hold your résumé for future reference within Co-operative should any other suitable positions arise;
6. Notify APRA of any personal information that it requests or requires in relation to you in accordance with its powers and functions; and
7. Provide a person with a copy of this Consent Form Regarding Recruitment for Responsible Person / Accountable Person Positions to assist with any of the above purposes.

I have read and agree to the information above:

Full name:

Signed:

Date:

Please refer to our website, www.dnister.com.au, for further details regarding Co-operative’s Privacy & Credit Reporting Policy. If you have any queries regarding the above, you can contact the Chief Executive Officer. Should you not wish for us to retain your details if you are unsuccessful in your application, please notify the Chief Executive Officer and we will delete your information.

Document B 6: Annual Attestation Form Criteria

I _____ of _____ state that at no time over the past 13 months have I:

- Failed to comply, in any material respect, with the Co-operative's Constitution, Corporate Governance Charter and Policies, and where applicable, the Director's code of conduct.
- Failed to discharge with diligence, honesty, integrity, or judgment my responsibilities as a director or manager of, or professional services provider to, a body corporate, statutory body, partnership trust, or commercial enterprise of any kind.
- Been subject to 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 my conduct in relation to:
 - (i) the management of an entity; or
 - (ii) commercial or professional activities.
- Been subject to civil or criminal proceedings, or enforcement actions, in relation to:
 - (i) the management of an entity; or
 - (ii) commercial or professional activities;that were determined adversely against me (this includes my consenting to an order or direction, and to my giving an undertaking not to engage in unlawful or improper conduct) and which reflected adversely on my competence, character, diligence, honesty, integrity or judgement.
- 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 where I engaged in conduct that caused or contributed to the entity's expulsion, exclusion or non-admission.
- 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 where I engaged in conduct that caused or contributed to the refusal or revocation of the licence or authority.
- Had my appointment terminated, or been asked to resign, from a position as director or manager or professional service provider to an entity in circumstances which reflected adversely on my competence, character, diligence, honesty, integrity, or judgment in discharging my responsibilities in the position.
- Seriously or persistently failed to manage my debts or financial affairs in accordance with my contractual or other legal obligations where this failure caused loss to others.
- Been or acted as a director or manager of, or professional advisor to, an entity that:
 - (i) was, or later came to be, insolvent;
 - (ii) was, or later came to be, under insolvency administration;
 - (iii) was, or later came to be, under statutory or judicial management; or
 - (iv) 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:
 - (i) the management of an entity; or

Document B 6: Annual Attestation Form Criteria

(ii) 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 perpetuated or participated in negligent, deceitful or otherwise discreditable business or professional practices.
- Failed to comply with a fit and proper policy of an APRA-regulated institution.
- Been disqualified from holding a responsible person position under the *Banking Act 1959 (Cth)*.

I have no change in any conflict(s) of interest (or perceived conflict(s) of interest) with my position except those stated below.

Details of any exception:

I also state that during the last 13 months, I gained the following additional qualifications, memberships and/or training:

The only other information that may impact on the assessment of my fitness and propriety is as follows:

Signed:

Signature

Date

Witness

Date

Print Witness Name

Document B 7: Directors Independence Declaration

I _____ of _____ state

that I am an independent director, both in appearance and fact, and that there is nothing to my knowledge in relation to myself or any company of which I am a member or director that could compromise that independence.

Signed:

Signature

Date

Witness

Date

Print Witness Name

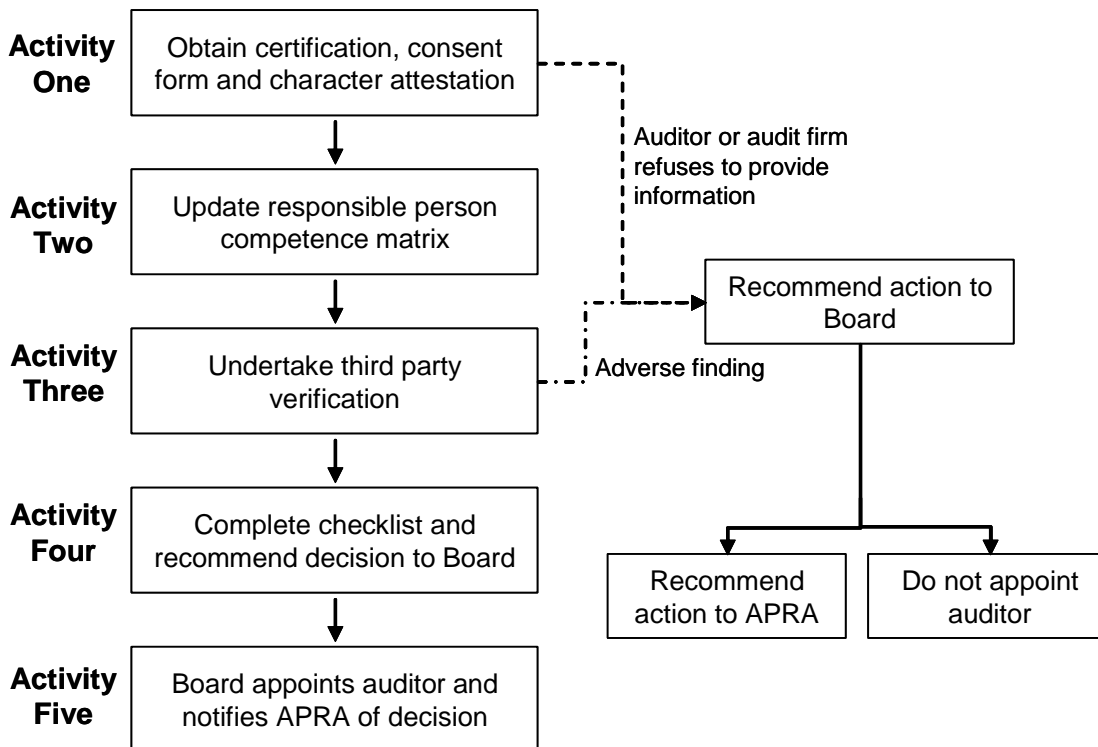
B8 Audit & Risk Management

Document B 8: Responsible Person Auditor Assessment Criteria and Process

8.1: Auditor Appointment Process

Sequence

Activity



8.2: Auditor Competence Certification Criteria

Auditor Competence Certification Form

Auditor: _____
 (firm)

Responsible Person: _____

Skills and Experience:

Please provide details of any appropriate formal qualifications held by the responsible person.

Qualification	Year awarded	Awarding Institution

Provide details of appropriate experience of the responsible person. This list should show a minimum of 5 years relevant experience.

Year	Position/Project	How relevant	Other

Please provide details of all relevant professional associations to which the responsible person belongs:

Professional Association	Year Joined	Current Grade or Status	Other

Is the responsible person registered as an auditor under the *Corporations Act 2001*?

Yes/No

Is the responsible person ordinarily resident in Australia?

Yes/No

Has the responsible person ever been disqualified from holding the position of auditor or any other responsible person position?

Yes/No

Does the person hold a conflict of interest that would lead a prudent person to conclude that there is a material risk that the person will not properly perform the position?

Yes/No

If Yes, please provide details:

Has the Responsible Person completed the appropriate Attestation Form?

Yes/No

Signed by Assessor:

Signature

Name

Date

Document B 8: Responsible Person Auditor Assessment Criteria and Process

8.3: Auditor Reference Check Criteria

Introduce yourself.

We are considering engaging [Name of responsible officer] as Auditor of Co-operative. S/he has nominated you as a referee. APRA has issued *Prudential Standard CPS 520 Fit and Proper*, which requires certain information to be collected about and attested to by candidates for what it terms Responsible Officer Positions. The Auditor of Co-operative is such a position and we have been authorised by [name of responsible officer] to ask you about issues contained in the standard. I can fax you a copy of their consent form if you wish.

I have a series of questions as to the eligibility of [name of responsible officer] for the position.

1. To the best of your knowledge does [name of responsible officer] possess:
 - a. The requisite skill and experience to audit an ADI in general and Co-operative in particular?
Yes/No
Details:

 - b. The requisite experience to audit an ADI in general and Co-operative in particular?
Yes/No
Details:

2. Is this experience sufficiently recent to ensure that the person is familiar with current issues in the audit of ADIs?
Yes/No
Details:

3. Is the person ordinarily resident in Australia?
Yes/No
Details:

4. Do you have any reason to question [name of responsible person]’s
 - a. Competence? Yes/No
 - b. Character? Yes/No
 - c. Diligence? Yes/No
 - d. Honesty? Yes/No
 - e. Integrity? Yes/No
 - f. Judgement? Yes/NoDetails:

5. Do you know of any conflict of interest that would lead a prudent person to conclude that there is a material risk that [name of responsible person] will not properly perform the position?
Yes/No
Details:

6. Is there any other fact of which you think we need to be aware that goes to [name of responsible person]’s competence, character, diligence, honesty, integrity and judgement to perform their duties?
Details:

Thank interviewee for time.
Signed by the Interviewer:

Signature

Name

Date

Schedule 1 – Review History

The table below provides details on the amendments made to this policy:

Date & Endorsed by	Review changes/comments
Board approved Policy on 20 th September 2006.	Version 1.1
July 2009 – Corporate Governance Committee	Amendments to chapter 6 and Reporting Schedule in chapter 8. Other minor changes and formatting.
1 March 2011 – Corporate Governance Committee 16 March 2011 - Board	No changes.
Jul 2012 – Corporate Governance Committee 24 Jul 2012 - Board	Minor grammatically changes only.
13 Aug 2013 – Corporate Governance Committee 27 Aug 2013 - Board	<p>APS520 is now CPS520 Updated January 2013. As a result, considerable changes have been made to the policy that reflect the updated standard.</p> <p>Attachment 1 removal of subsidiary section at end because we do not have a subsidiary and it is not relevant.</p> <p>The Policy has been considerably reworded in order to clarify the policy and align it with CPS520.</p>
10 Jun 2014 – Corporate Governance Committee 24 Jun 2014 - Board	<p>“Dnister” replaced with “the Co-operative”</p> <p>“ITSA” replaced with “Australian Financial Security Authority (AFSA)” as it was renamed</p> <p>“Privacy Policy” extended to “Privacy and Credit Reporting Policy”</p>
18 Jun 2015 – Corporate Governance Committee 30 Jun 2015 - Board	<p>Change “Audit & Risk Management” to “Audit”</p> <p>3.1 dot point 3 insert the word “ideally” at the start</p>
08 Dec 2016 – Corporate Governance Committee 22 Dec 2016 - Board	<p>Change of title “Corporate Services Manager” to “Chief Financial Officer”. Capitalised “Director” where not a quote.</p>
12 Sep 2017 – Corporate Governance Committee 26 Sep 2017 - Board	No change.
4 Dec 2018 Corporate Governance Committee 18 Dec 2018 Board	As detailed in the summary of changes document dated 4 December 2018
11 June 2019 Corporate Governance Committee 25 June 2019 - Board	Refer to the summary of changes document dated 11 June 2019
23 June 2020 – Corporate Governance Committee 30 June 2020 - Board	Refer to summary of changes document dated 16 June 2020.
8 June 2021 - Corporate Governance Committee 29 June 2021 - Board	Refer to summary of changes document dated 8 June 2021.

