Contents

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

Dnister Constitution

Fit and Proper and FAR Policy

Board Corporate Governance Charter

Scan to access Directors Nomination Pack online

1. 2026 Director Nomination Form

Director
2026 Nomination Form

Dnister Ukrainian Credit Co-operative Ltd t/a Dnister Bank
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 trading as Dnister Bank.

Signature of Nominator ______ Dated ______

Contact Phone ______ Mobile ______

Email ______

seconder

Name ______ Membership No ______

Signature of Seconder ______ Dated ______

Contact Phone ______ Mobile ______

Email ______

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 FAR Policy, c) Dnister's Board Corporate Governance Charter, d) Financial Accountability Regime (FAR), 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 ______ Mobile ______

Email ______

Nominations close 12 noon Wednesday 2 / Sept / 2026

Please turn over for further important information >

nominee checklist

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

- ☐ 1 This Director Nomination Form.
- ☐ 2 FAR Accountability Statement.
- ☐ 3 B2 Character Attestation.
- ☐ 4 B5 Candidate Consent Form.
- ☐ 5 Conflict of Interest Declaration.
- ☐ 6 B7 Independence Declaration.
- ☐ 7 Deed of Confidentiality.

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 sucessful 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 acknowledes the eligibility requirements contained in the following publications :

- ☐ Dnister Constitution
- ☐ Dnister Fit & Proper and FAR Policy
- ☐ Board Corporate Governance Charter
- ☐ Banking Act 1959 - located at www.legislation.gov.au/Details/C2019C00218
- ☐ Corporations Act - located at https://www.legislation.gov.au/C2004A00818/latest/versions
- ☐ Financial Accountability Regime - located at https://www.apra.gov.au/financial-accountability-regime-information-for-accountable-entities

returning officer

Completed Nomination Documentation should be returned no later than **12 noon Wednesday 2 / Sept / 2026**, to:

RETURNING OFFICER

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

Telephone 0478 877 693 or at
Email : votingservices@computershare.com.au

Dnister Bank

2. 2026 FAR Information Statement (retain for your records)

Financial Accountability Regime (FAR)Information Document – Retain for Your Records

1. *Background*

a. What is the Financial Accountability Regime (FAR)?

The Financial Accountability Regime (FAR) imposes a strengthened responsibility and accountability framework for entities in the banking, insurance and superannuation industries and their directors and senior executives. The FAR is designed to improve the risk and governance cultures of Australia's financial institutions.

The FAR as it applies to authorised deposit-taking institutions (ADIs) and their authorised non-operating holding companies (NOHCs) commenced on 15 March 2024 and is jointly administered by both APRA and ASIC.

The purpose of the FAR is to establish clear and heightened expectations of accountability for Directors and senior Executives of ADI's (**Accountable Persons**). FAR 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 FAR is therefore to improve the operating culture of ADIs by increasing **transparency and accountability** across the banking sector.

The key obligations under the FAR are to ensure organisations and their accountable persons:

- conduct its business with honesty and integrity, and with due skill, care and diligence;
- deal with the Regulators in an open, constructive and cooperative way;
- in conducting its business, prevent matters from arising that would adversely affect the accountable entity's prudential standing or prudential reputation;
- ensure that each of its accountable persons meets their accountability obligations; and
- ensure that each of its SREs complies with the above

b. Who does it apply to?

FAR applies to a person, including a senior Executive or Director, that falls within the definition of an Accountable Person in the FAR Act 2023, applicable to 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 critical operations 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 FAR 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 FAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable)).	Each Accountable Person
Dnister must deal with the regulators in an **open, constructive and cooperative** way	Dnister **must take reasonable steps** to deal with the regulators in an open, constructive and cooperative way. (The terms "open", "constructive" and "cooperative" are not defined under the FAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable)).	Dnister

Obligation	Comments/Interpretation	Application
	interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable)).	
Each Accountable Person must deal with the regulators in an **open, constructive and cooperative** way	This is an absolute obligation for each Accountable Person to deal with the regulators in an open, constructive and cooperative way. (The terms "open", "constructive" and "cooperative" are not defined under the FAR 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: • acts with honesty and integrity and with due skill, care and diligence; • deals with the regulators 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 FAR	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: • Maintain a Remuneration Policy that complies with the FAR. • 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 FAR.]	☐ Dnister ☐ Accountable Persons

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

Non-compliance with the Financial Accountability Regime (FAR) can result in serious consequences. For Dnister, if it breaches its prudential obligations under the accountability regime, the regulators may apply to the Federal Court of Australia to seek pecuniary civil penalties of up to a maximum of 50,000 penalty units or $15.65 million (based on the current value of a penalty unit at $313).

For Accountable Persons, in serious cases of non-compliance with accountability obligations under FAR, the regulators may apply to the Federal Court of Australia for civil penalties of up to a maximum of 5,000 penalty units or $1.565 million. Additionally, a disqualified Accountable Person may not be permitted to continue as an Accountable Person for Dnister, which could lead to termination of their employment contract with Dnister.

Furthermore, Dnister could face penalties for allowing a disqualified person to act as an Accountable Person, including strict liability offences with penalties of up to 60 penalty units, and fault-based offences with penalties of up to 250 penalty units.

In addition to regulatory consequences, Dnister may take disciplinary action against employees who do not comply with their FAR obligations or contribute to breaches, including termination of employment in accordance with its disciplinary policy.

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 FAR 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 the regulators at least 21 days before they can be appointed as an Accountable Person, and registration must be in the approved form as prescribed by the regulators, 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 the regulators no later than 21 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, the regulators 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 21 days of the AGM being completed. Any Director retiring / being replaced will also require removing from the regulators registers at this time; or
- If the nominee is unsuccessful, then the Accountable Person's registration with the regulators 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 the regulators, at least 21 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 Dnister and the nominee are strictly confidential to those parties except for the obligations placed on Dnister to deal with the regulators in an open, constructive and cooperative way, which includes relevant disclosures.

3. 2026 FAR Accountability Statement

Accountability Statement: [ ](Non-Executive Director)

of Dnister Ukrainian Credit Co-operative Limited t/a Dnister Bank

Section A: Accountable person details

Name		
Institution	Dnister Ukrainian Credit Co-operative Limited trading as Dnister bank (Dnister) an authorised deposit taking institution jointly administered by the regulators.	
Employer	Dnister Ukrainian Credit Co-operative Limited trading as Dnister Bank	
Role title	Non-Executive Director	
Regulator	This accountability statement is provided to APRA and ASIC in accordance with s31(2)(a) and s33 of the *Financial Accountability Regime* Act 2023 (FAR Act)	
Role start date	Date of the AGM	
Effective Date	**Commencement date as an accountable person:** Xx/xx/2026	**Date of this Accountability Statement:** Xx/xx/2026
Reports to	N/A	
Responsibilities Responsibilities under s10(1) and 10(6) of the FAR Act as prescribed under the Minister rules	Senior executive responsibility for management or control of the Co-operative.	
Responsibilities under s10(2) and 10(3) of the FAR Act as prescribed under the Minister rules.	*Position of member of the board of directors.*	

	Area of responsibility	Description of responsibility (Section33(a)(ii) of the FAR Act)	Joint (Y/N)
		Member of the Board of the ADI or ADI NOHC, where relevant	
1	**Board's role in providing oversight and approvals**	The Accountable Person is responsible for: ➢ 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 Co-operative, including in relation to compliance with FAR; 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**	The Accountable Person is responsible for: ➢ 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)**	The Accountable Person is responsible for establishing and maintaining a policy: ➢ 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 Remuneration Policy**	The Accountable Person is responsible for: ➢ approving the Remuneration Policy; ➢ 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.	Y

Section 2: Responsibilities of the accountable person

Additional Functional Responsibilities Other Than Prescribed Function / Common Responsibilities
Responsibility for oversight of **Dnister Ukrainian Credit Co-operative Limited** as a member of the Board and various Committees of **Dnister Ukrainian Credit Co-operative Limited**.

5	**Remuneration Policy**	➢ 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.	
6	**Board oversight of audit (including safeguarding its independence)**	The Accountable Person is responsible for: ➢ ensuring that the Co-operative's audit functions are carried out by the appropriate person (whether internal or external) that meets the fit and proper policy, satisfies auditor independence requirements and is not subject to any direction issued under the Banking Act; ➢ 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
7	**Board oversight on organisational and risk culture**	The Accountable Person is responsible for: ➢ 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
8	**Oversight of effective operation of the Board**	As Chair of the Board, the Accountable Person is responsible for: ➢ communicating the Co-operative's strategy both internally (to executives and staff) and externally (to relevant stakeholders); ➢ fostering strong working relationships between non-executive directors and senior management; and ➢ consulting and challenging the CEO re the operation of the Co-operative.	Y

9	**Board oversight on financial reporting, corporate governance and continuous disclosure**	The Accountable Person is responsible for: ➢ overseeing the Audit Committee performance, ➢ approving financial statements and reports; ➢ overseeing governance and continuous disclosure.	

Section 3: Limitations upon and exclusions of responsibility

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

Section 4: Acknowledgement

I, ______________________, declare that:

the content of this accountability statement is accurate; and I understand my obligations as an accountable person under s21 of the FAR Act.

Signature

Date

Last Review: 1 June 2026

Next Review: 31 May 2027

Sub Committee Requirements under FAR – To be Assigned post AGM to Directors.

Member Audit Committee			
	Area of responsibility	**Description of responsibility (subsection 37FA (1)(b) of the Act)**	**Joint (Y/N)**
1	**Committee Membership Participation**	As a member of a Board Committee, the Accountable Person is responsible for: ➢ challenging and contributing to discussions on relevant issues considered by the Committee; ➢ reporting, advising and making recommendations to the Board on matters brought to the Committee; ➢ ensuring the effective performance of the Committee in accordance with stated objectives.	Y
2	**Oversight of internal and external audit functions**	The Accountable Person is responsible for ensuring that the Committee: ➢ maintain the independence of the audit function; ➢ review the performance of the audit function (including Internal Auditors and any external auditors), including the ability of the organisation to carry out its regulatory strategy; ➢ recommend any changes / alterations to either internal or external auditors as required to the Board for approval; ➢ assess the effectiveness of the Co-operative's internal control framework; and ➢ develop the internal audit plan in conjunction with the CFO.	Y
3	**Oversight of Financial Statements**	The Accountable Person is responsible for ensuring that the Committee: ➢ review the audited financial statements and reports prior to Board submission to ensure compliance with accounting policies and standards; and ➢ recommend the financial statement and reports to the Board for approval.	

Member Risk Committee			
	Area of responsibility	**Description of responsibility (Section 33(a)(ii) of the FAR Act)**	**Joint (Y/N)**
1	**Committee Membership Participation**	As a member of a Board Committee, the Accountable Person is responsible for: ➢ challenging and contributing to discussions on relevant issues considered by the Committee; ➢ reporting, advising and making recommendations to the Board on matters brought to the Committee; ➢ ensuring the effective performance of the Committee in accordance with stated objectives.	Y
2	**Oversight of financial and non-financial risk**	The Accountable Person is responsible for ensuring that the Committee: ➢ maintain the independence of the risk function; ➢ monitor the performance of the risk function; ➢ review the company's risk appetite and risk tolerance; ➢ review the Co-operative's actual risk profile and develop strategies for mitigating the effects of those risks, including by obtaining regular updates from other executives of the Co-operative; ➢ review the risk policies developed by the CRO / Executive Management and their effectiveness, including reporting and escalation policies, compliance with laws and regulations, prevention of fraud or theft; and ➢ ensure the Co-operative's risk management policy is communicated to the Co-operative and that it is engrained in the culture of the Co-operative.	Y
3	**Oversight of the compliance function**	The Accountable Person is responsible for: ➢ ensuring the Co-operative develops and implements arrangements, systems and controls to enable it to comply with its legal, regulatory and industry obligations (complying with the law and adhering to accounting and other industry standards); ➢ ensuring the organisation's assets and operations are not exposed to undue regulatory or compliance risks through appropriate compliance management; ➢ ensuring resources are allocated to establishing, developing, implementing, evaluating, maintaining and improving a robust compliance culture and compliance management framework; and ➢ periodically reviewing the effectiveness of the compliance management framework and forming a view on the compliance culture.	Y

Member Corporate Governance Committee			
	Area of responsibility	**Description of responsibility (subsection 33(a)(ii) of the FAR Act)**	**Joint (Y/N)**
1	**Committee Membership Participation**	As member of a Board Committee, the Accountable Person is responsible for: ➢ challenging and contributing to discussions on relevant issues considered by the Committee; ➢ reporting, advising and making recommendations to the Board on matters brought to the Committee; and ensuring the effective performance of the Committee in accordance with stated objectives.	Y
2	**Remuneration and Performance Review of Directors**	The Accountable Person is responsible for ensuring that the Committee: ➢ develop a policy on executive (including the CEO) and non-executive director remuneration, including developing performance indicators aligned to the Board strategy; ➢ negotiate and agree remuneration packages for directors and reviewing this on an annual basis; ➢ ensure that director remuneration is consistent with the policy objectives of FAR; ➢ appraising the Chairman's performance; and assist the Board develop a formal internal Board effectiveness evaluation process	Y
3	**Oversight of Human Resources Function The Accountable Person is responsible for ensuring that the Committee:**	The Accountable Person is responsible for ensuring that the Committee: ➢ develop and implement remuneration policies and practices; ➢ make recommendations to the Board in relation to the annual budget for pay and incentive rewards for executives; and ensure that such incentive structures are consistent with the policy objectives of FA	Y
4	**Oversight of Director &Executive Management Succession Planning**	The accountable person is responsible for ensuring that the Committee: ➢ develop an appropriate succession plan for the orderly replacement of Directors; and ➢ develop an appropriate succession plan for the orderly replacement of the CEO and Executive Managers; and make making recommendations to the Board in relation to potential succession plan replacements.	Y

4. B2 2026 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 Bank's 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 2026 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 Dnister about you during its recruitment / election / appointment or review process, Dnister 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 Dnister 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 Dnister 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 / Accopuntable 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 Dnister'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.

Dnister Bank

6. 2026 - 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 Organisations/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 or other state based association
    - 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) ____________________

Dnister Bank

7. B7 2026 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. 2026 Deed of Confidentiality

Director’s Deed of Confidentiality

<u>THIS DEED</u> is made on the ______ day of ______, 20 ______

BY: ______

______

('the Director')

TO: <u>Dnister Ukrainian Credit Co-operative Limited t/a Dnister Bank</u>

('the Company')

<u>Confidentiality Undertaking</u>

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.

<u>Termination</u>

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.

<u>Exclusions</u>

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 trading as Dnister Bank

9. Dnister Constitution

10. 2026 Board Corporate Governance Charter

Board Charter

Document number:	CHA – 001 Board Charter
Status:	Final
Sponsor:	CEO
Reviewer:	Company Secretary
Approver	Board
First published:	2009 – Jul - 15
Date of Committee / Executive approval:	2026 - 06
Date of Board approval:	2026-06
Date for next review:	2027-06
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 Bank

Contents

INTRODUCTION

Prudential Regulation

Prudential Standards CPS 510 and *520* 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 within the policy register section of GRC Triline Risk and Compliance management system.

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 Dnister. 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 Dnister’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 Dnister'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 Dnister 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) the corporate requirements of the Australian Securities and Investment Commission (ASIC) and supports where relevant, the Corporate Governance Principles developed by the ASX Corporate Governance Council 2019.

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

The Board is also bound by commitments made by Dnister under the Customer Owned Banking Code of Practice in terms of our legal and moral commitment to delivering on our members.

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 CPS 510(25) and accepted good governance principles; and
- (iv) Shall not have been Dnister'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 with matters delegated as set out in each Committee Charter[1];

(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 prior to their appointment and on an ongoing basis, of any interest that could potentially conflict with those of Dnister 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;
   (d) will not participate in any decision on the matter or be informed until the decision has been taken; and
   (e) such declaration is to be noted as a record in any minutes prepared in relation to that meeting.

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 including the Chief Risk Officer, and the 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 the 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 at any time 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, and Auditors will be made available to meet with the regulators on request; and

(iv) Policies and procedures will be provided to the regulators on request.

[1] Currently there are three Board Committees for Corporate Governance, Audit and Risk. Note the Corporate Governance Committee will act as the Board Nominations Committee-see discussion in the introduction to section 6 of this Charter.

2.9 Professional Advice

(i) The Board collectively and each Director individually may take, at Dnister'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 CPS 510(25) including the definition of independence set out in the ASX Corporate Governance Council's Principles of Good Governance and Recommendations 2019;

(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 Dnister's solicitor and/or the regulators;

(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 Dnister, including a company of which Dnister is a shareholder; and

(vi) The independence requirements are to be considered in conjunction with the Board Renewal Policy (refer to Section 6).

2.11 Board Duties and Responsibilities

(i) Corporate Governance

(a) Conduct the affairs of Dnister 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 Recommendations 2019; 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 CPS 520, appropriate persons for election to the Board in accordance with the additional requirements of the Financial Accountability Regime (FAR);

(b) Fill casual vacancies in Board positions in accordance with the additional requirements of the FAR;

(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 Dnister;
(b) Consider and approve Dnister's annual budget including revenue, profit, capital expenditure and cash flows, as proposed by management, ensuring appropriate resources (financial, technological and human) are available to achieve the business objectives;
(c) Monitor management's performance in the implementation and achievement of Dnister's goals and strategies;
(d) Satisfy itself that it engages in ethical and legal conduct and that a culture of integrity and transparency is maintained throughout Dnister; and
(e) Ensure that systems are in place to safeguard member funds

(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 Dnister.

(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 of 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 Dnister's annual financial statements and other published financial information including (where permissible) to its members, other stakeholders and the public.

(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 to management in relation to agreed policy

amendments as detailed in the Dnister Policy Register; 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.

(x) Monitor Corporate Social Responsibility, Integrity and Ethics

(a) Ensure that a sound corporate culture exists throughout Dnister.
(b) Maintain and provide a safe and healthy workplace for Dnister's staff and contractors and monitor compliance with any relevant applicable occupational health and safety laws.
(c) Adopt a Board Code of Conduct (or similar policy) and monitor performance against the Code.
(d) Consider the social and environmental impact of Dnister's activities and monitor any policies and procedures related to Environmental, Social and Governance (ESG) practices of the business.
(e) Promote mutual and co-operative enterprise.

(xi) Diversity 2

(a) Create and monitor Dnister's adherence to Diversity, Equity and Inclusion (DEI) policies and any measurable diversity objectives and metrics. The Board is responsible for approving this DEI policy and assessing, seeking and achieving these DEI objectives.
(b) The Board will undertake an annual assessment of performance against the measurable objectives for employees and the Board via the Board Diversity and Tenure Assessment3.

(xii) Oversee Effective Board External Communications

(a) Ensure that there is appropriate communication between the Board and the members, the public and relevant stakeholders.

(xiii) Anti-Bribery and Corruption

(a) Ensure Dnister is committed to embedding a zero-risk appetite culture for bribery, corruption and facilitation payments.
(b) To facilitate this objective the Board has approved an Anti-Bribery and Corruption Policy.

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

[2] Refer also to the discussion in section 6.2 of this Charter.
[3] Refer to Appendix G of this Charter.

3. FIT and PROPER (CPS 520) and FINANCIAL ACCOUNTABILITY REGIME

3.1 Policy

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

This policy recognises:

(i) that the Fit and Proper and FAR 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 fitness and propriety criteria set out in the prudential standard will be used;
(iv) the requirement to ensure that a person holding a responsible officer and / or 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 FAR 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 the regulators 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 and Proper and the FAR.

(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 and Company Secretary has conducted checks to ensure each candidate meets the "Fit and Proper Persons" and accountable person requirements of the Banking Act 1959 (Cth), including:
(a) Australian Federal Police checks;
(b) Bankruptcy checks;
(c) Sanctions screening through the Green Id 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 and 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 CPS 510 Governance Prudential Standard, CPS 511 Remuneration Prudential Standard, FAR 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, CPS 511 and FAR;

(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 the regulators

(iii) Approving new or material amendments to performance management frameworks, any employee equity/share plans, employee superannuation and any other employee entitlements.

(iv) Although Dnister 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

(v) 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

Dnister acknowledges the importance of its obligations under the FAR, and particularly its obligations with respect to deferred remuneration. Detailed obligations relating to the FAR are set out in Fit and Proper and FAR 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 Dnister 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 the regulators 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 and 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%
Committee Chairs	15.0%
Director	11.83%

Director remuneration is paid through the fortnightly payroll of Dnister.

6. BOARD RENEWAL and BOARD SUCCESSION

One of the key responsibilities of the Chair and Board of Dnister 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 CPS 510 Governance and FAR. 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 Dnister`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. To ensure that appropriate skills are held across the Board, a Board **Skills Matrix**[4] is maintained, which will assist in identifying skills gaps that may be addressed through Board renewal.

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 considering the Board skills matrix 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 50% of nominations for Directors to be from female candidates;
- Target a maximum Board tenure of 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 (refer to appendix G);
- Target a maximum tenure in Chair and Deputy Chair positions of 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 FAR 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 Dnister adopt a strategic approach to managing succession.

[4] See Appendix F of this Charter for further details.

The Board will actively inform and encourage members to consider standing as a Director via the following:

(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 and 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 and development register (Board Skills Matrix). This will include all relevant professional development activity undertaken by Directors. Refer to **Appendices E** and **F** for the register and skills matrix templates;
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 Company Secretary, compile an annual Director education seminar and conference program for Board consideration. The Board Skills Matrix and Board Diversity and Tenure registers[5] will be maintained by the Company Secretary in conjunction with the Board Chair.

(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 Dnister 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 Dnister'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.

[5] Refer to Appendix G for the Board Diversity & Tenure Assessment

7. MANAGEMENT SUCCESSION PLAN

Given Dnister's relative size, style of operation, economies and Dnister 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 and a replacement CEO will not immediately commence serving in the CEO role, the Board shall appoint an Acting CEO to serve in the role on an interim basis. The Acting CEO may be:

(a) another executive of Dnister;
(b) in circumstances where paragraph 30 of CPS 510 applies, the Chair; or
(c) any other person the Board deems suitable.

(ii) In circumstances where paragraph 7.1(i) applies:

(a) the Board shall appoint an Acting CEO as soon as reasonably possible;
(b) in selecting and appointing an Acting CEO, the Board shall have regard to and address all issues of remuneration, conflict, independence, and accountabilities involved in the appointment;
(c) the Acting CEO must sign a written contract covering the appointment which must set out the responsibilities and accountabilities of the Acting CEO, be as an independent contractor for a fixed daily sum, and be expressed as being for a maximum of 90 days, or until the earlier appointment of another Acting CEO or CEO by the Board;
(d) APRA/ASIC must be informed promptly of all CEO and Acting CEO appointments, cessations, and periods of unavailability continuing for a period greater than four weeks, and of all changes to accountabilities by a **"designated user"** i.e. a senior member of Dnister who is granted permission to access and notify ASIC and APRA of such developments;
(e) the daily operations of Dnister shall continue under the guidance of the Executive Management team and Acting CEO; and
(f) 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.

(iii) 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 if a Senior Manager resigns or is terminated, incapacitated or unavailable for an extended period greater than two weeks:

Senior Manager Position-	**Interim Arrangement-**
CEO	Another executive of Dnister
CFO	Finance Manager
Chief Risk Officer	CEO
andCOO	andCEO

andChief Member and Community Officer (CMCO)	CEO
Finance Manager	CFO

8. AUDIT and RISK COMMITTEES

8.1 Audit Committee Charter and Risk Committee Charter

The Board Audit and Board Risk Committees are to both comprise up to four Directors.6 The CEO attends meetings to provide operational updates as required. The CFO attends the meetings to provide financial updates as required. The CRO also attends the Board and 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 Audit and Risk Committees will ensure that the independence of the Internal Auditor is maintained. The Internal Auditor will report directly to the Audit Committee and Risk Committee on a regular basis and otherwise when required.

The key responsibilities covered by the two Committees include:
Risk Committee

- Overseeing compliance with statutory and corporate requirements.
- Overseeing and examining the adequacy of risk management policies and systems.
- Overseeing, examining, and approving various policies as delegated by the Board as detailed in the Dnister Policy Register within the GRC Triline risk and compliance system.
- Overseeing and examining the internal and external audit processes and reports.
- Monitoring the adequacy of corporate insurance coverage.

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.
- Overseeing, examining, and approving various policies as delegated by the Board as detailed in the Dnister Policy Register within the GRC Triline risk and compliance system.
- 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 Audit Committee and Risk Committee Charters.

9. INCONSISTENCY

This charter is intended to support Dnister and its personnel to comply with Dnister's legal and regulatory obligations. To the extent of any inconsistency, those legal and regulatory obligations prevail over this charter.

[6] Refer to section 2.2. "Membership" for further details.

APPENDICES

APPENDIX A: POSITION PROFILE CHAIR

POSITION PROFILE CHAIR

Responsible to:

Membership and specific stakeholders via the Board of Directors.

Role of the Chair:

The Chair:

- Chairs all meetings of the Board at which he or she is in attendance.
- Chairs all meetings of the 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.
- Builds an effective and complimentary Board, initiating change and planning succession and Board appointments in conjunction with the Corporate Governance Committee incorporating the Remuneration Committee.
- Represents the Board to the 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 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 Dnister, the broader credit union and finance industries are operating.
- Shows strong awareness and good judgment 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 Dnister'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 Dnister 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.
- Liaises with the Company Secretary[7] as required to fulfil Board duties and responsibilities.
- Acts as a designated user and notifies ASIC or APRA of any changes to the Board.
- Maintains the Vision, Mission and Values as key foci, within the context of a changing marketplace.

[7] Dnister's Company Secretary is accountable to the Board through the Chair regarding the proper functioning of the Board. All directors have direct access to the Company Secretary.

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 Dnister's Constitution establishes the Powers and Duties of Directors Board in accordance with the Corporations Act whereby the Board:

- manages Dnister's business; and
- may exercise all the powers of Dnister 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 Dnister; 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 Dnister within a framework of prudent and effective controls which enable risk to be assessed and managed;
- Set Dnister values and standards and ensure that its obligations to Members are understood and met.

The Board sets policies and direction and ensures that Dnister's management implements these decisions. A Director has no executive function in Dnister and his/her legal "power" exists only at properly convened Board Meetings. Board decisions are transferred to Dnister'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 2001* (Cth), together with the numerous other pieces of legislation and regulatory guidance at both a Commonwealth and State level that place significant added responsibilities on Directors;

2. have a sound knowledge of Dnister`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 Dnister and the broader credit union industry is operating;

5. have a good understanding of Dnister 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 Dnister's Policies and Risk Management Systems and actively engage in their regular review and upgrading;

8. actively engage in applicable Committee work where appropriate;

9. monitor, review and where appropriate question Dnister 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 Dnister and as a means to develop knowledge about industry issues impacting Dnister;

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 Dnister having regard to the dual roles of members as both shareholders and customers and to the objectives of Dnister in serving member needs;

14. ensure that sufficient information is available, and it is properly considered when the Board makes 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 Dnister 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 Dnister 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 Dnister'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
- Australian Prudential Standards for ADIs
- Financial Accountability Regime (FAR)
- AML/CTF Act and Rules
- Dnister Constitution
- Co-operative Guidelines for Directors
- Co-operative Policies – Board of Directors, Corporate Governance, Fit and Proper
- AICD training course and ongoing professional development programs
- Co-operative Performance Assessment Systems; and
- Dnister Annual Report to Members

APPENDIX C: DIRECTOR’S PERSONAL CODE OF CONDUCT

DIRECTOR’S PERSONAL CODE OF CONDUCT

1. A Director must act honestly, in good faith and in the best interests of Dnister 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 Dnister as a whole.

4. A Director must recognise that the primary responsibility is to Dnister’s Members but should, where appropriate have regard for the interests of the stakeholders of Dnister.

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 Dnister.

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 Dnister and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by Dnister, 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 Dnister.

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 principles 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 Dnister and should be prepared to stand down if the Board determines that a Director cannot comply with a prudential standard, Board Policies on Fit and 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 Dnister’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 Act does not prescribe any minimum standards of training or competence for Directors.

The policy does support governance practices being encouraged by CPS 510 and FAR, Standards Australia, ASX Guidelines, The Higgs Report (UK, 2003) that encourage/require structured Director induction programs for all new Directors.

Policy
1. All Directors will be required to undertake the minimum role and credit union induction familiarisation reading and activities specified in the procedures listed below and 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 Company Secretary.
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 item 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 roles including: credit union legislation, Corporations Act, Board process, constitution, planning, policy making, and financial monitoring.
   (ii) Understanding of Dnister's member profile, structure, operation, products and services and key suppliers.
   (iii) Understanding of the Australian financial services industry and the wider credit union movement.
   (iv) Understanding of the profile of Dnister'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 the management team.
   (iii) Viewing Dnister'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 (e.g. the AIM 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:	

Procedures	Initials	Date
1. A new Director's induction will comprise of four (4) components: (i) Understanding of Directors' and Board roles including: credit union legislation, Corporations Act, Board process, constitution, planning, policy making, and financial monitoring. (ii) Understanding of Dnister's member profile, structure, operation, products and services and key suppliers. (iii) Understanding of the Australian financial services industry and the wider credit union movement. (iv) Understanding of the profile of Dnister's core Bond and key member and market segments within that Bond.		

Procedures	Initials	Date
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 the management team. (iii) Viewing Dnister'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 (e.g. AIM Institute). (vi) Discussing strategic plan, budget and key policies with the 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 Chair and Director Inductee

We certify that the induction program has been satisfactorily completed.

Director Inductee	Date
Board Chair	Date

APPENDIX E: DIRECTOR AND EXECUTIVE TRAINING MATRIX REGISTER TEMPLATE

	Quarter One:					
	Date/s	Course Name	Location	Provider	Total Cost[1]	CPD Hrs
Director						
Executives						

1. Total Cost = registration fees + airfares + accommodation + other

APPENDIX F: Board Skills Matrix

Dnister Ukrainian Credit Co-operative Limited		
BOARD SKILLS MATRIX		
Requirements:	1. Technical Skills	
	2. Excellent understanding of Dnister Members	
	3. Diversity (Skills, Experience, Perspectives)	
	4. Behavioural Competencies and Leadership Capabilities	
Definition:	Visual tool that clearly details the current and future capability needs of the board, both individually and as a collective, and should be designed to support its current needs and future strategy.	
Diversity:	1. Gender	
	2. Geographic	

Tenure:	1. Less than or equal to 3 years									
	2. Greater than 3 years and less than 9 years									
	3. Greater than 9 years									
Categories:	**1. COLLECTIVE SKILLS**	**Essential/Desirable**	**Description**		*1 - Basic Understanding*	*2 - Experienced*	*3 - Experienced and Trained*	*4 - Very Experienced*	*5 - Experienced and Qualified*	
	1.1 Strategy and Planning'	Essential	Knowledge and experience in charting and monitoring the implementation of strategic objectives. Ability to think strategically.		0	0	0	1	0	
	1.2 Budgeting and Financial Performance Monitoring	Essential	Experience in preparing both operational expenditure and capital expenditure budgets for commercial organisations and/or government bodies. Ability to interpret and understand financial statements, including requirements relating to liquidity, capital adequacy and profitability. An ability to probe the adequacy of financial risk controls. Critically assess financial		0	0	0	1	0	

			viability and performance.							
	1.3 Governance, Risk and Compliance	Essential	Good understanding in the design and application of corporate governance, risk management and compliance frameworks. This includes experience as a Director/Executive/Senior Manager of a commercial organisation or government body. Ability to identify key issues for Dnister and develop and evaluate appropriate policies to define the parameters within which Dnister operates.		0	0	0	1	0	
	1.4 Member and Community Engagement	Essential	High level reputation and established networks in the Ukrainian and Latvian communities, and the ability to effectively engage and communicate with key stakeholders.		0	0	0	1	0	

	1.5 Business Acumen	Essential	A broad range of business/commercial experience in areas including, and not limited to, negotiation, contracts and procurement, marketing, accounting, sales and distribution, business systems implementation, process improvement, people management.		0	0	0	0	1	
	1.6 Financial Services Experience (e.g., Banking, Mutuals, Superannuation)	Essential	Exposure to Banking operations, preferably in the mutual sector, or in other related functions.		0	0	0	1	0	
	1.7 Regulatory Stakeholder Management	Desirable	Experience in liaising and engaging with regulatory stakeholders such as APRA, ASIC and AUSTRAC.		0	0	0	1	0	
	1.8 Mergers and Acquisitions Experience	Desirable	A basic understanding of the steps relating to Merger and Acquisition activities, with an emphasis on due diligence.		0	0	0	1	0	
	2. TECHNICAL SKILLS	**Essential/Desirable**	**Description**		*1 - Basic Understanding*	*2 - Experienced*	*3 - Experienced and Trained*	*4 - Very Experienced*	*5 - Experienced and Qualified*	

	2.1 Marketing and Distribution	Essential	Qualifications and experience in sales and marketing of financial products and services to members and the creation of promotional marketing campaigns. An understanding of the importance of brand and its application in enabling membership growth.		0	0	1	0	0	
	2.2 Accounting and Reporting	Essential	Qualifications and experience in accounting or commerce with the ability to analyse key financial statements, critically assess financial viability, and oversee budgets together with the efficient use of resources.		0	0	0	1	0	
	2.3 Legal and Regulatory Compliance	Essential	Qualifications and experience in legal practice or as legal counsel for commercial organisations and/or government bodies with an emphasis on banking and financial services.		0	0	0	1	0	
	2.4 People and Culture	Desirable	Qualifications and experience in human resource management together with an understanding of employment law.		0	0	0	1	0	

			Knowledge and experience in the management and oversight of workplace culture matters.							
	2.5 Finance, Treasury and Capital Management'	Essential	Qualifications and experience in finance and related disciplines, with a good understanding of Treasury practices within financial services and the raising of capital.		0	0	1	0	0	
	2.6 Digital and Technology Transformation	Essential	Qualifications and experience in information technology and/or digital industries with an ability to understand and apply new technology as an enabler for transformation. Knowledge and understanding of how **artificial intelligence** can be applied to financial services.		0	0	0	0	1	
	2.7 Cyber Security	Essential	Qualifications and experience in the application and protection of digital, technology and data assets. Knowledge and understanding of data privacy management, cyber risk management		0	0	0	1	0	

			and governance, and the development and implementation of security strategies.							
	2.8 Commercial Property Portfolio Management	Desirable	Qualifications and experience in the management of commercial property assets. Knowledge and understanding of property valuation methodologies and the application of quantity surveying techniques for assessing financial viability and risks when undertaking building upgrades and developments.		0	1	0	0	0	
	2.9 Environmental, Social and Governance and Climate Related Disclosure	Essential	Knowledge of ESG principles and legislation so Dnister can influence ESG impacts. Knowledge of mandatory climate reporting regime and reporting obligations that will affect Dnister in 2027.				1			
	2.10 Anti-Bribery obligations	Essential	Knowledge of domestic and foreign Antil-Bribery obligations which commenced in Australia in 2024.				1			

	3. BEHAVIOURAL COMPETENCIES AND LEADERSHIP CAPABILITIES	Essential/Desirable	Description		1 - Basic Understanding	2 - Experienced	3 - Experienced and Trained	4 - Very Experienced	5 - Experienced and Qualified	
	3.1 Leadership Experience	Essential	Possess and demonstrate a leadership culture that is aligned with Dnister's ALICE values of Accountability, Loyalty, Integrity, Commitment and Empowerment. Understand and fulfill the duties and responsibilities of a Director. Place Dnister's interests before any personal interests. Act in a transparent manner and declare activities and conduct that may be a potential conflict of interest. Maintain board confidentiality at all times.		0	0	0	1	0	
	3.2 Critical and Innovative Thinking	Essential	Demonstrate an ability to critically analyse complex and detailed information, readily distil key issues, and develop constructive and innovative solutions to problems.		0	0	0	1	0	

	3.3 Contributor and Team Player	Essential	Demonstrate an ability to work as part of a team, with a passion and time to make a genuine contribution to Dnister's Board of Directors.		0	0	0	1	0	
	3.4 Constructive Questioning	Essential	Demonstrate a preparedness to challenge Dnister's management and directors in a constructive and appropriate manner regarding key issues.		0	0	0	1	0	
	3.5 Influencer and Negotiator	Essential	Demonstrate an ability to negotiate outcomes and influence others to agree with the proposed outcomes, including an ability to gain stakeholder support for decisions made.		0	0	0	1	0	
	3.6 Effective Communicator (written and verbal)	Essential	Demonstrate an ability to listen to other people's viewpoints, constructively and appropriately debate one's argument, and communicate effectively with a broad range of stakeholders. The ability to communicate effectively, both verbal and written, is essential.		0	0	0	1	0	

Assessment Criteria:	1 - Basic Understanding									
	2 - Experienced (on-the-job training/experience : 0 to 2 years)									
	3 - Experienced and Trained (attended training plus) (2)									
	4 - Very Experienced (Experience is > 2years plus (3))									
	5 - Experienced and Qualified (professional qualification plus (2), as a minimum)									

APPENDIX G: Board Diversity and Tenure Assessment

Dnister Ukrainian Credit Co-operative Limited

BOARD DIVERSITY and TENURE ASSESSMENT

Total Number of Director Positions: 7

Total Number of Director Positions Filled: 6

		Male	Female	Vacant					
Diversity:	1. Gender	6		1					
		ACT	NSW	NT	SA	QLD	TAS	VIC	WA
	2. Geographic		1		3			2	

		ACT	NSW	NT	SA	QLD	TAS	VIC	WA		TOTAL
Tenure:	1. Less than or equal to 3 years				1			1			3
	2. Greater than 3 years and less than or equal to 9 years		1		1			1			2
	3. Greater than 9 years		1								1

Schedule 1 Review History

Date of Meetings	Amendments
16 June/July 2026 – Corporate Governance Committee 30/06/ 2026 – Board	Refer to summary of changes document dated 1 June 2026.
20 August 2024 – Corporate Governance Committee 26 August 2024 - Board	Refer to summary of changes document dated 1 August 2024
19 March 2024 – Corporate Governance Committee 26 March 2024 - Board	Refer to summary of changes document dated 1 March 2024
7 June 2022 – Corporate Governance Committee 21 June 2022 - Board	Refer to summary of changes document dated 1 June 2022
8 June 2021 Corporate Governance Committee 29 June 2021 Board	Refer to summary of policy changes document dated 8 June 2021.
23 June 2020 Corporate Governance Committee 30 June 2020 Board	Refer to the summary of changes document dated 16 June 2020.
11 June 2019 Corporate Governance Committee 25 June 2019 - Board	Refer to the summary of changes document dated 11 June 2019 including BEAR.
12 June 2018 Corporate Governance Committee 26 June 2018 Board	As detailed in the summary of changes document dated 31 May 2018
Corporate Governance Committee 5 Dec 2017 Board 19 Dec 2017	2.8 Title – Amend Compliance and Risk Manager to Chief Risk Officer. 4.2 (viii) Annual Report – Remove requirement to include a summary of the Board Annual Review. 6.3 (ii) Training and Development – Amend education budget to training budget. 7.2 (iii) Senior Manager Succession – Clarified the interim arrangements and updated the table for Senior Manager positions. 8.1 Audit and Risk Committees – Amended reporting period from quarterly to on a regular basis and otherwise as required.
Corporate Governance Committee 14 June 2016 Board 28 June 2016	6.2 Inclusion of succession planning guidelines and aspirational targets.
Corporate Governance Committee 4 Aug 2015 Board 25 Aug 2015	Page 2 remove duplicate Charter review table 2.3(iii) and 2.10 updated from “CPS 510” to “CPS 510(25)” reference paragraph. 2.4(iv) quorum reduced to “four” given maximum 7 directors 2.5(iii), 2.11(vii), and 6.3(v) updated to reflect separate Audit and Risk Committees. 2.6 Added Policy Code “PER-062”. Section 8 Reviewed to accommodate separate Risk and Audit Committees. Included CFO attendance at Committee meetings. Appendices changed “Co-operative” to “Dnister” where deemed appropriate. i.e. Dnister‘s Constitution.
20 Aug 2014 – Corporate Governance Committee 26 Aug 2014 - Board	“Credit Co-operative” changed to “Co-operative” “APS 510” changed to “CPS 510” 6.1 added in to reflect CPS 510 Internal Audit Report point 45 2.2 Number of Directors updated to seven

	2.8 (ii), (iii), (iv) added to reflect CPS 510 Internal Audit Recommendations 7.1 CEO, 2nd in charge updated to CFO

Corporate Governance Committee (CGC) Charter

Document number:	CHA – 002 CGC Charter
Status:	Draft
Sponsor:	CEO
Reviewer:	Company Secretary
Approver	Board
First published:	2009 – Apr - 15
Date of Committee / Executive approval:	2026 - 06
Date of Board approval:	2026-06
Date for next review:	2027-06
File Name:	
Related Policies and Procedures	CHA – 001 Board Charter CHA - 003 Audit Committee Charter CHA – 004 Risk Committee Charter GOV and PER Policies

Dnister Bank

Contents

1 Introduction

This Charter defines the role, terms of reference, responsibilities and methods of operation of the Corporate Governance Committee.

Broadly the committee will assist the Board by:

- Generally overseeing all matters relative to corporate governance;
- Overseeing corporate philosophy and governance roles;
- Approving various policies as detailed in the Dnister Policy Register;
- Overseeing areas of corporate responsibility;
- Planning and monitoring corporate strategy and performance; and
- Recommending proposals relative to corporate development.

The Committee will examine any other matters referred to it by the Board

1.1 Prudential Regulation

Prudential Standards CPS 510 and associated *Guidance Notes.*

Financial Accountability Regime (FAR).

1.2 Board Authority

The Board of Directors (the Board) originally adopted this charter on 15 April 2009, the latest approved version is reflected on the front cover of this document and as per the Dnister Policy Register located in the GRC Triline Risk and Compliance management system.

1.3 Reviews

The Board reviews and amends this Corporate Governance Committee Charter in accordance with Dnister's Board Charter, both yearly and as major changes occur during the period. The Committee will review and recommend to the Board any changes to this charter as required and no less frequently than annually. A history of review and extent of recommended and ratified changes are detailed in schedule 1:

2 Corporate Governance Committee

2.1 Constitution

The Corporate Governance Committee has been established by resolution of the Board.

2.2 Membership

This Committee will comprise no less than four members being the Chair, two other Board Directors and the Chief Executive Officer (CEO), save for during any period where the Chair serves as Acting CEO in accordance with paragraph 7.1(i) of the Board Charter, in which case this Committee will comprise no less than three members being the Chair and two other Board Directors. Only the Directors are entitled to vote.

A sub-committee (**Remuneration Committee**) comprising all Committee members excepting the CEO will meet the Board's obligations in respect to the performance and remuneration reviews relative to the CEO and direct reports of the CEO.

A further subcommittee (**Nominations Committee**) comprising all Committee members will meet the Board's obligations in respect of nominations / renominations for Director roles, before presenting to the Annual General Meeting for voting / approval.

Members of this Committee and applicable sub-committees will be available to meet with APRA on request.

2.3 Chair

The Committee will be chaired by the Chair of the Board.

2.4 Secretary

The Company Secretary will act as Secretary of this Committee.

The Company Secretary, in conjunction with the Chair, will draw up an agenda for circulation at least one week prior to each meeting to the members of the Committee.

The Company Secretary will maintain minutes of each Committee meeting and will provide a copy of those minutes to the Committee within seven days of each meeting and subsequently to the Board.

2.5 Quorum

A quorum for meetings of the Committee and sub committees will consist of two Directors or a number not less than half of the total number of Directors. For clarity, the Chief Executive Officer is not included when determining the quorum.

2.6 Meetings

Committee meetings will be held not less than four times a year to enable the Committee to undertake its role effectively. In addition, the Chair is required to call a meeting of the Committee if requested to do so by any member of the Committee or the Chief Executive Officer.

The Remuneration Sub-Committee will meet at least annually to review and agree the remuneration structure for Dnister and to recommend that structure to the Board for approval.

The Nominations Sub Committee will meet at least annually to review the fit and proper requirements for all nominations / renominations for Director and make appropriate recommendations to the Board for adoption. Only those nominations / renominations whose fit and proper requirements are adopted by the Board are eligible to stand for election at the next Annual General Meeting.

2.7 Authority

The Committee has the authority to seek any information it requires from any officer of Dnister as a direct delegation from the full Board.

The Committee has the authority to take such independent professional advice as it considers necessary. The Committee will have no executive powers regarding its findings and recommendations.

The Chair of this Committee is required to report the findings and present the Committee`s recommendations to the Board on all matters within this Committee's Charter after each Committee meeting.

Consideration of the minutes of all Committee meetings will be a Board agenda item.

2.8 Reporting Procedures

The Committee will keep minutes of its meetings. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chair of the Committee and circulated to the Board with the Board papers for the next Board meeting.

The minutes are to be tabled at the Board meeting following the Committee meeting along with any recommendations of the Committee.

3 Key Board Corporate Governance Committee function

3.1 Philosophy and Governance Roles

The Committee will promote and foster the cultural and philosophical values of Dnister as they are applied in our dealings with members and in the functions of:

- The Movement's Principles of Mutuality;
- The Customer Owned Banking Code of Practice and other applicable Codes;
- Our Constitution;
- Our obligations under our Australian Financial Services Licence and Australian Credit Licence; and
- Our approved Strategic Purpose and Values.

The Committee will monitor and review all matters relating to Corporate Governance, including:

- Composition and structure of the Board per CPS 510 Governance paragraphs 26 to 32:
    - Directors serve a three-year term before needing to stand for re-election. This ensures that there is an opportunity for renewal and the best candidates are available to be elected; and
    - A maximum of three Directors are re-elected each year to ensure continuity of the Board.
- The governance roles of the –
    - Members;
    - Board;
    - Chairperson;
    - Individual directors;
    - Board Committees;
    - Company Secretary; and
    - Chief Executive Officer.
- Election or appointment of directors including recommendations to the Board in respect to the filling of casual vacancies;
- Recommendations to the Board in respect to the appointment of Directors; and
- The policy, role and operation of the Board Nominations Committee.

3.2 Corporate Responsibility

The Committee will oversee the preparation of the annual Board / Committee calendar, including the recommendation of dates for Board and Member meetings.

The Committee will submit items for inclusion in agendas for meetings of the Board, including:

- Delegations of the Board's powers of authority;
- Decision making processes;
- Board committees; and
- Ethical standards.

3.3 Corporate Performance

The Committee will facilitate our strategic planning process, including:

- Definition of the Board's role in strategy;
- Identifying factors influencing the Board's role;

- Identifying sources of strategic input;
- Organisation of strategic planning process; and
- Monitoring and reporting of results.

The Committee will make recommendations to the Board in respect to appropriate Key Performance Indicators (KPIs) to enable evaluation of the performance of:

- Dnister;
- The Board Chair;
- The Board;
- Individual Directors; and
- The Chief Executive Officer.

The Committee will establish reporting systems to evaluate performances in terms of the approved KPIs and to report the results to the Board.

3.4 Corporate Development

The Committee will develop and recommend to the Board appropriate induction of new and potential directors.

The Committee will identify and recommend to the Board appropriate means for the development of director knowledge and skills.

The Committee will develop and submit to the Board appropriate recommendations for consideration at the Annual General Meeting in respect to directors' remuneration levels.

The sub-committee will set KPIs to measure the performance of the Chief Executive Officer in line with the requirements of the incumbent's Contract of Employment and will measure and report achievement of those KPIs to the Board.

The Remuneration Sub-Committee will conduct an annual review of the Chief Executive Officer's remuneration package and will recommend proposed variations to the Board, after due consideration to the requirements of the FAR and any applicable variable remuneration.

The Nominations Sub-Committee will assist in the development of and recommend to the Board an appropriate Succession Plan for the orderly replacement of directors.

As detailed in CHA – 001 Board Charter, section 7: The Committee will assist with the maintenance of a Succession Plan for the orderly replacement of the CEO and Senior Managers.

4 Inconsistency

This Charter is intended to support Dnister and its personnel to comply with Dnister's legal and regulatory obligations. To the extent of any inconsistency, those legal and regulatory obligations prevail over this Charter.

SCHEDULE 1 – REVIEWS

The table below details all amendments to the charter.

Date and Endorsed by	Review changes/comments
16 June 2026 Corporate Governance Committee 30 June 2026 Board	Refer to summary of changes document dated 1 June 2026
17 June 2025 – Corporate Governance Committee 28 October 2025 - Board	Refer to summary of changes document dated 1 June 2025.
March 2024 Corporate Governance Committee March 2024 - Board	Refer to summary of changes document dated 1 March 2024
8 June 2021 – Corporate Governance Committee 29 June 2021 - Board	Refer to summary of policy changes document dated 8 June 2021
23 June 2020 – Corporate Governance Committee 30 June 2020 - Board	Refer to the summary of changes document dated 16 June 2020.
11 June 2019 – Corporate Governance Committee 25 June 2019 - Board	Refer to summary of changes document dated 11 June 2019 including BEAR.
12 June 2018 – Corporate Governance Committee 26 June 2018 - Board	Refer to changes documented in the summary of charter changes dated 31 May 2018.
6 June 2017 – Corporate Governance Committee 27 June 2017 - Board	No changes.
4 Aug 2015 – Corporate Governance Committee 25 Aug 2015 - Board	2.6 Last sentence - BCGC "and" CEO changed "and" to "or" 3.3 removed "Credit" from "Credit Co-operative"
20 Aug 2014 – Corporate Governance Committee Aug 2014 - Board	2.2 updated to reflect CPS 510 Internal Audit to clarify the requirement to be available to meet with APRA.
19 March 2013 – Corporate Governance Committee 30 April 2013 - Board	2.2 Expanded to clearly identify a Remuneration Committee 3.1 Addition of re-election and renewal of Board. Requirement per CPS 510 36 is that there be a policy. The additional lines given our size will cover this requirement and formalise it. Formatting Changes and revised new standard front page. Replace General Manager with Chief Executive Officer
08 November 2011 – Corporate Governance Committee 15 November 2011 - Board	Changes to voting rights in sec 2.2 Membership. Changes to quorum in sec 2.5 Quorum.
15 April 2009 - Board	Version 1.0

Dnister Bank

11. 2026 Fit & Proper and FAR Policy

FIT AND PROPER AND FINANCIAL ACCOUNTABILTY REGIME POLICY

Document number:	PER – 011 Fit and Proper and FAR Policy
Status:	Final
Sponsor:	Chief Executive Officer
Reviewer	Company Secretary
Approver:	Corporate Governance Committee
First published:	2006-09
Date of Committee approval:	2026 - 02
Date of Board approval:	2026 - 02
Date for next review:	2027 - 02
File Name:	
Related Policies & Procedures	CHA – 001 Corporate governance Charter CHA – 002 Board Corporate Governance Committee Charter

Dnister Bank

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1 Introduction

Primary responsibility for ensuring the fitness and propriety of individuals holding Responsible Officer and Accountable Person positions within the **Dnister Ukrainian Credit Co-operative Ltd** (Dnister) rests with Dnister'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 Officer 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 officers and Accountable Persons are competent and act with honesty and integrity;
2. the matters Dnister will consider in determining if a person is fit and proper for a Responsible Officer and Accountable Person position;
3. the processes that will be followed by Dnister in assessing whether a Responsible Officer and Accountable Person is fit and proper;
4. the actions Dnister will take if it is not satisfied that a person is fit and proper for a Responsible Officer and Accountable Person position; and
5. the approved list of responsible officers and Accountable Persons and the competency matrix as determined by Dnister in complying with its Fit & Proper and Financial Accountability Regime Policy in appendix A.

1.1 Prudential Regulation and laws

Fit and Proper obligations and guidance is sought from the following:

- APRA's Prudential Standard CPS 520Fit and Proper" and associated Guidance Notes sets out the requirements for regulated entities to ensure that their responsible persons are fit and proper to perform their roles with integrity, competence, and financial soundness.
- *Financial Accountability Regime Act 2023* (Cth) (FAR Act) (see discussion below).
- ASIC- ensures that individuals in key roles within financial services and credit businesses are fit and proper by assessing them during licensing and enforcing ongoing compliance under relevant laws.
- The *Banking Act 1959* (Cth) underpins the Fit and Proper regime by empowering APRA to set and enforce standards (via CPS 520) to ensure key personnel in banks are competent, honest, and of good character

In addition to the obligations imposed by previous financial /banking regimes, (see below), APRA's Fit and Proper Guide emphasizes that Dnister should configure its Fit & Proper Policy in the way most suited to achieving its business objectives and taking into account its size, complexity and risk profile. Accordingly, this Policy forms part of Dnister's Risk Management Framework.

1.2 Financial Accountability Regime (FAR)

The Financial Accountability Regime (FAR) imposes a strengthened responsibility and accountability framework for entities in the banking, insurance and superannuation industries and their directors and senior executives. The FAR is designed to improve the risk and governance cultures of Australia's financial institutions.

The FAR replaces the Banking Executive Accountability Regime (BEAR), which commenced in 2018, and is jointly administered by APRA and ASIC. The FAR as it applies to authorised deposit-taking institutions (ADIs) and their authorised non-operating holding companies (NOHCs) commenced on 15 March 2024.

The purpose of the FAR is to establish clear and heightened expectations of accountability for Directors and senior Executives of ADI's (Accountable Persons). FAR 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 FAR is therefore to improve the operating culture of ADIs by increasing transparency and accountability across the banking sector.

1.3 Board Authority

The Board of Directors (the Board) originally adopted this policy statement on 20[the] Sept 2006, the latest approved version detailed in the Dnister Policy Register located in the GRC Triline Risk and Compliance management system.

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 to Dnister, its responsible officers, and Accountable Persons and (as applicable) all employees (including contractors and sub-contractors) of Dnister. A Responsible Officer / accountable person is:

- 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 critical operations specified in the FAR Act.

Definitions of the Fit & Proper positions, as well as a complete definition of a Responsible Officer / Accountable Person, are contained in chapter 12 definitions.

Importantly, many individuals will be both a Responsible Officer and Accountable Persons under CPS 520 also.
Dnister will maintain a current schedule of responsible officers and Accountable Persons and details of the competencies and training required for each position.

Section 1 Financial Accountability Regime

3 FAR Policy Statement

Dnister is committed to implementing and complying with its obligations under the FAR including accountability, remuneration, key personnel and notification obligations and the aspects covered in this and associated Policies.

Accountable Persons of Dnister must comply with their accountability obligations under the FAR in the context of their responsibilities, as outlined in their **Accountability Statement**[1]. Where an Accountable Person delegates their responsibilities, they are solely responsible for ensuring that their employees and direct reports comply with the FAR obligations including (but not limited to) ensuring that appropriate arrangements, systems, and controls are in place to support their and Dnister's, ongoing compliance with the FAR obligations.

Where a senior executive holds a position, which meets the criteria of an Accountable Person as defined by the FAR, Dnister will ensure the relevant senior executive is appointed as an Accountable Person in accordance with the FAR. The key obligations under the FAR are to ensure that Dnister and its Accountable Persons:

- act with honesty, integrity and with due skill, care, and diligence;
- deal with APRA and ASIC 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 FAR imposes specific obligations on Dnister and its Accountable Persons, all employees must act in a manner which is consistent with these obligations.

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

3.1 Consequence of non-compliance

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

3.1.1 Penalties

Non-compliance with FAR obligations where the contravention "relates to prudential matter"[1] attracts serious penalties for Dnister as follows:

(a) 50,000 penalty units;

(b) if the court can determine the benefit derived and detriment avoided because of the contravention—that amount multiplied by 3;

(c) either:

(i) 10% of the annual turnover of the body corporate for the 12-month period ending at the end of the month in which the body corporate contravened, or began to contravene, the provision; or

(ii) if the amount worked out under subparagraph (i) is greater than an amount equal to 2.5 million penalty units—2.5 million penalty units.

Note: For the meanings of ***annual turnover*** and ***benefit derived and detriment avoided***,

3.1.2 Disqualification

In addition to financial penalties which may be applied against Dnister, APRA and / or ASIC 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.

[1] Section 37G

[2] The purpose of the accountability statement is two-fold as it helps APRA and ASIC identify **who is accountable** for what within financial institutions and ensure clarity of responsibility for directors and senior executives.
It also aligns with the broader aim of the FAR to strengthen governance, accountability and risk-culture in banking, insurance and superannuation sectors

Also, 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. In addition, it may also have committed a fault-based offence and be liable for a penalty of up to 250 penalty units.

Accordingly, if an Accountable Person is disqualified by APRA and / or ASIC, 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.

3.1.3 Other Enforcement Tools

Regulators may also:

- Issue **infringement notices**
- Seek **injunctions** to prevent ongoing breaches
- Pursue **court-enforceable undertakings;** and
- **Publicly censure** Dnister.

3.1.4 Dnister's Consequences

A breach of the FAR obligations will be taken seriously by Dnister. Therefore, in addition to any consequences which may be applied by APRA and / or ASIC for non-compliance with the FAR obligations, relevant employees of the Co-operative, who do not comply with their FAR obligations or who have willingly or materially, contributed to or caused, a breach of Dnister's FAR 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 Dnister.

3.2 FAR Compliance Framework

The FAR controls which have been directly established by Dnister to implement the FAR consist of the following key measures:

- **this FAR Policy** – *sets out Dnister's commitment to complying with the FAR and how FAR obligations have been implemented*;
- **Dnister's Accountability Map**;
- **Accountability Statements** for each Accountable Person of Dnister;
- **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*;
- **FAR Training Program** – *ensures Directors, senior executives and employees of Dnister understand the FAR and FAR 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 FAR obligations and reporting obligations for FAR breaches*;

In addition to the above controls there are several measures which are in place to support ongoing compliance with the FAR obligations such as Dnister's Governance Framework, Risk Management Framework and Compliance Management Framework. These controls play an integral role in supporting the effective implementation of the FAR and FAR obligations. Further details regarding the controls which relate to each FAR obligation are provided in section 3.3 below.

3.3 FAR Obligations

The FAR sets out accountability obligations and operational obligations which apply to Dnister, 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 Dnister to comply with these obligations are summarised below:

3.3.1 Reasonable Steps

Several FAR obligations impose a standard of 'reasonable steps' to be taken by Dnister 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*
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 FAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable).	Dnister Ukrainian Credit Co-operative Limited	Fit and Proper and FAR Policy Employee Handbook Employee Due Diligence Policy Compliance Management Framework Policy Risk Management Framework Policy Corporate Governance Policy
Each Accountable Person must act with and integrity, 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 FAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable).	Each Accountable Person	Fit and Proper and FAR Policy, Employee Handbook Employee Due Diligence Policy, Conflicts of Interest Policy
Dnister must deal with the regulators in an open, constructive, and cooperative way	Dnister **must take reasonable steps** to deal with APRA and ASIC in an open, constructive and cooperative way. The terms "open", "constructive" and "cooperative" are not defined under the FAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable).	Dnister Ukrainian Credit Co-operative Limited	Fit and Proper and FAR Policy, Compliance Management Framework Policy, Risk Management Framework Policy, Corporate Governance Policy and Breach Reporting Policy
Each Person must deal with the regulators in an open, constructive, and cooperative way	This is an absolute obligation for each Accountable Person to deal with APRA and ASIC in an open, constructive, and cooperative way. The terms "open", "constructive" and "cooperative" are not defined under the FAR and therefore should be interpreted in accordance with their ordinary meaning or established legal interpretation (as applicable).	Accountable Persons	Fit and Proper and FAR Policy, Compliance Management Framework Policy, Risk Management Framework Policy, Corporate Governance Policy and Breach Reporting Policy
In conducting its business, the Co-operative must prevent matters from arising that would adversely affect 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. "Adversely" is not defined under the FAR and is to be interpreted per its ordinary meaning or established legal interpretation (as applicable).	Dnister Ukrainian Credit Co-operative Limited	Fit and Proper and FAR Policy, Compliance Management Policy, Risk Management Policies, Corporate Governance Policy, Breach Reporting Policy and Conflicts of Interest Policy
In conducting their responsibilities, AccountablepppAccountabl Persons must prevent matters from arising that	Each Accountable Person **must take reasonable steps** to prevent matters from arising that adversely affects the prudential standing of Dnister. The Accountable Person (as applicable) will	Accountable Persons	

adversely affect the prudential standing or	be taken to have met this obligation if they can establish, they have taken reasonable steps.		

Obligation	Comments/Interpretation	Application	Dnister *Measure*
prudential reputation of Dnister.			
Ensure that each of its Accountable Persons Persons meets his or her accountability obligations.	Dnister **must take reasonable steps** to ensure each Accountable Person: • acts with honesty and integrity and with due skill, care, and diligence; • deals with APRA and ASIC 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 Ukrainian Credit Co-operative Limited	Fit and Proper and FAR Policy, Compliance Management Policy, Risk Management Policy, Corporate Governance Policy, Breach Reporting Policy and Conflicts of interest Policy

3.3.3 Key Personnel Obligations

Obligation	Comments/Interpretation	Application	*[Insert ADI Name]* *Measure*
Key personnel obligations	Dnister must: a) Ensure that the responsibilities of its Accountable Persons cover all parts or aspects of the operations of Dnister and specific responsibilities as prescribed by the FAR; 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 and ASIC to reallocate Accountable Person responsibilities;	Dnister Ukrainian Credit Co-operative Limited	FAR Policy Accountability Map Accountability Statements

3.3.4 Registrations and Notifications

Obligation	Comments/Interpretation	Application	*[Insert ADI Name]* *Measure*
All AccountableAccountable Persons must be registered with APRA and ASIC within the prescribed timeframes	• If a new Accountable Person is Person is appointed into a position, the Accountable Person must be registered **at or 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 21 days before	Accountable Persons	Fit and Proper and FAR Policy – Section 3.7 below

Obligation	Comments/Interpretation	Application	*[Insert ADI Name] Measure*
	at least 21 days before the role exceeds 28 days; • Must be in the approved form as prescribed by the regulators and at a minimum ➢ a completed registration nomination form; ➢ the Accountability Statement nomination form for the 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		
Notification requirement - Changes to Accountable Persons must be notified to the regulators within the prescribed timeframe	• Changes must be notified to the **within 21 days** where: ➢ 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	Dnister Ukrainian Credit Co-operative Limited Chief Risk Officer (CRO) or Chief Financial Officer (CFO)	Fit and Proper and FAR Policy – section 3.8 below
Notification requirement - Changes to Accountability Map must be notified to the regulators within the prescribed timeframe	• Must be notified to the **within 21 days** of the change.	*Dnister Ukrainian Credit Co-operative Limited CRO or CFO*	Fit and Proper and FAR Policy – section 3.8 below
Notification requirement - Changes to Accountability Statements must be notified to the regulators within the prescribed timeframe	• Must be notified to the **within 21 days** of the change.	Dnister Ukrainian Credit Co-operative Limited CRO or CFO	Fit and Proper and FAR Policy – section 3.8 below
Notification requirement - Changes to Remuneration must be notified to the regulators within the prescribed timeframe	Changes to the remuneration of an Accountable Person must be notified **within 21 days** after variable remuneration has been reduced due to a failure to comply with the accountability	Dnister Ukrainian Credit Co-operative Limited CRO or CFO	Fit and Proper and FAR Policy – section 3.8 below Corporate Governance Charter – Section 5 Remuneration
Notification requirement - Breaches of accountability obligations must be notified to the regulators within the prescribed timeframe	Must be notified **within 21 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 FAR Policy – section 3.8 below *Breach Reporting Policy*

3.3.5 Remuneration

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

3.4 FAR Roles and Responsibilities

The following roles and responsibilities apply to implementation and oversight of Dnister:

Accountable Persons	Accountable Persons are responsible for: • complying with the FAR obligations; • ensuring breaches of FAR 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; and • fulfilling the responsibilities which are set out in their Accountability Statement, having regard to the FAR obligations and in particular, the reasonable steps requirement.
Employees (including contractors and sub-contractors)	Employees are responsible for: • ensuring they act in accordance with the scope and authority of delegations and instructions as directed by any Accountable Person or Dnister; and • immediately reporting incidents and breaches in accordance with the Breach Reporting Policy.
People & Culture (Appointment of Staff)	People & Culture are responsible for advising the CRO / CFO of the following: • all registrations and notifications to the regulators, as required under the FAR 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 Dnister 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 the regulators as an Accountable Person before they commence in their role with Dnister and in any case at least **21 days prior** to commencement as an Accountable Person; • developing the Accountability Map for Dnister and developing Accountability Statements for each Accountable Person; • maintaining the Accountability Map and ensuring that any updates to the Map are provided to the regulators **within 21 days** after any change; • maintaining a register of Accountable Persons and their Accountability Statements and ensuring that any updates to Accountability Statements are notified to the regulators **within 21 days** after any change; • notifying the regulators **within 21 days** of the following:

	○ 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. • ensuring there is a remuneration policy in place which is compliant with the FAR; • maintaining and implementing this Fit and Proper and FAR Policy; • approving non-material changes to this Fit and Proper and FAR Policy.
Risk and Compliance	Risk & Compliance are responsible for: • independent advice on FAR obligations or the steps required by the Co-operative or Accountable Persons to comply with the FAR obligations; • oversight of implementation of this Fit and Proper and FAR Policy and compliance with FAR obligations; • assessment of individuals as Accountable Persons; and • assessment of incidents and breaches to determine if there is a breach of FAR obligations and if so, ensuring that the breach is reported in accordance with
Board	Approving this Fit and proper and FAR Policy and any subsequent material amendments.

3.5 Record Keeping

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

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

- key decisions pertaining to their 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 CRO must ensure records are kept of the following key documents relating to FAR registration and notifications:

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

Records relating to any notification to APRA of a breach of FAR Obligations will be held by the CRO.

3.6 FAR Definitions and Abbreviations

Term	Definition
Accountability Map	The document which has been created by Dnister in accordance with section 34 of the FAR Act that shows how the responsibilities of Accountable Persons together cover all parts or aspects of Dnister's operations.
Accountability Statement	A formal written statement developed for each Accountable Person which complies with section 31(2)(a) and 33 of the FAR Act that details the parts or aspects of Dnister's operations for which the Accountable Person is accountable.
Accountable Person	A person, including a director, executive or senior manager, that falls within the definition of section 10(1)-10(6) of the FAR Act and is therefore an Accountable Person for Dnister.

	The general principle for an Accountable Person under the FAR 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 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 Dnister; and / or • individuals with senior executive responsibility for one of the responsibilities specified in the Act.
Act	FAR Act 2023 (Cth)
ADI	Authorised Deposit-Taking Institution
APRA	The Australian Prudential Regulation Authority (joint regulator)
ASIC	The Australian Securities and Investment Commission (joint regulator)
FAR	The Financial Accountability Regime as set out in FAR Act
Prudential Standing/Prudential Reputation	Those matters which materially impact on Dnister's financial position and overall conduct of Dnister's affairs with integrity, prudence, and professional skill.

3.7 – New Accountable Person Registration

Registration of New Accountable Persons Instruction

Dnister is required to register new Accountable Persons with the regulators **21 days before** the nominated Accountable Person commences as an Accountable Person. The following steps should be followed when registering a nominated Accountable Person with the regulators:

a) Assess the skills, background, and capability in accordance within this Fit and Proper and FAR 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 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 Dnister;

f) Register the new Accountable Person with the regulators **21 days before** the appointment of the Accountable Person or at a minimum, **21 days before** the Accountable Person commences in their role[2] including notification of the following documents:
   - Completed registration form in the format prescribed by the regulators from time to time;
   - Declaration that the ADI is satisfied that the person is suitable to be an Accountable Person in the format prescribed by the regulators from time to time and signed by the Chair of the Board or their delegate; and
   - the Accountability Statement form nomination for the nominated Accountable Person;

g) Notify the regulators **within 21 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**);
   - Updated Accountability Statements notifications 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

As Dnister is considered a Non-Significant Financial Institution[2] (Non - SFI), there are reduced reporting obligations applicable. The Co- operative does not need to provide the documents to the regulators, just to notify them of the accountability statement areas for each Accountable Person.

Person Ceasing to be an Accountable Person Instruction

Dnister is required to notify the regulators 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 the regulators of a person ceasing to be an Accountable Person:

a) Notify the regulators **within 21 days after** the change of the person ceasing to be an Accountable Person by submitting the following documents:
   - Registration Form completed in the relevant section relating to a person ceasing to be an Accountable Person;

b) Notify the regulators **within 21 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 Dnister), registration of the new Accountable Person should occur 21 days before the person commences as an Accountable Person (**refer to New Accountable Person Registration – section 3.7 above**)

Change in Accountability Map Instruction

Dnister must notify the regulators of any changes to an Accountability Map within **21 days after** the change.

Changes to the Accountability Map of Dnister 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 the regulators of changes to an Accountability Map:

a) Amend and update the Accountability Map for Dnister;

b) Notify the regulators within 21 days **after** the change by advising of the following:
   - Updated Accountability Map; and
   - Registration Form completed in the relevant section to provide a brief description of the update.

Change in an Accountable Person's Accountability Statement Instruction

Dnister must notify the regulators of any changes to an Accountability Statement within **21 days after** the change.

Changes to the Accountability Statement of Dnister 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 the regulators of changes to an Accountability Statement:

a) Amend and update the Accountability Statement/s for Dnister;

[2] A non-significant financial institution is a financial institution that does not meet the criteria of a Significant Financial Institution (SFI) and therefore faces a lighter regulatory burden. This distinction is often based on asset size (e.g., below a certain threshold like AUD $20 billion for banks) or a lack of systemic complexity as determined by APRA.

b) Provide amended Accountability Statement to the Accountable Person/s for review and signing;

c) Notify the regulators **within 21 days after** the change by advising of the following:
   - Updated Accountability Statement/s; and
   - Registration Form completed in the relevant section to provide a brief description of the update.

Breach of Accountability Obligations by an ADI Instruction

Dnister must notify the regulators 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 the regulators of a dismissal or suspension of an Accountable Person and/or change to Variable Remuneration due to a Breach:

a) Notify the regulators **within 21 days after** the occurrence of the breach by submitting the following:
   - Notification Form with the relevant section completed.[3]

b) Undertake such further actions as required by the regulators such as providing updates to the regulators on remediation actions taken to address the Breach and any other Notifications as required under this FAR Policy.

Breach of Accountability Obligations by an Accountable Person

Dnister must notify the regulators 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 the regulators of a dismissal or suspension of an Accountable Person and/or change to Variable Remuneration due to a Breach:

a) Notify the regulators **within 21 days after** the occurrence of each event by submitting the following:
   - Notification Form with the relevant section completed.[4]

b) Undertake such further actions as required by the regulators such as providing updates to the regulators on remediation actions taken to address the Breach and any other Notifications as required under this FAR Policy.

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

[4] 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 Officers / Accountable Persons within the Co-operative

Responsible officers / 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 Officer / Accountable Person position under the *Banking Act, 1959* (Cth) (Banking Act)*;*
- ideally have no conflict of interest in performing the duties of the Responsible Officer / Accountable Person position;
- if the person has a conflict of interest, it would be prudent for Dnister 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 Officer / Accountable Person position within Dnister once all these criteria are satisfied*.* Dnister 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 People & Culture and Director election practices of Dnister, wherever possible. They will always be integrated into the appointment process and the performance evaluation process for every Responsible Officer / Accountable Person.

Notwithstanding these questions, criteria and processes, it is still a matter for the Board of Dnister 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 Officer Auditors

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

(a) be a registered auditor under the *Corporations Act 2001* (Cth);
(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 Dnister 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 Officer auditor position, that person may continue in the position and Dnister 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 Officer auditor position until APRA notifies Dnister that it is inappropriate.

Dnister will define and maintain competency requirements, questions, criteria, and tools for the assessment of Responsible Officer 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 Officer / Accountable Person position will be made:

(a) prior to a person being appointed to a Responsible Officer / Accountable Person position; and

(b) annually (in August) after appointment to a Responsible Officer / Accountable Person position.

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

(a) the person holds the position because of a resolution of members of Dnister; or

(b) because APRA has determined in writing that the person is a Responsible Officer / Accountable Person, as the person plays a significant role in the management or control of Dnister, 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 Officer / Accountable Person position".

Dnister may conduct reasonable limited checks on the fitness and propriety of persons being appointed to Responsible Officer / 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 Dnister's recruitment and promotion processes for Responsible Officer 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 educational and business qualifications:

(v) Appropriate references being obtained

(vi) Checks through the AML / CTF program.

(b) The process for determining the fitness and propriety of a person within Dnister being promoted to a Responsible Officer / 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 Officer / Accountable Person position being filled.

6.1 Persons Responsible for Conducting Fit and Proper Assessments

Dnister recognises that several people need to be involved in conducting assessments of the fitness and propriety of persons commencing employment in a Responsible Officer / Accountable Person position as well as of persons holding those positions. Consequently, Dnister has assigned the following people responsibility for assessing the fitness and propriety of persons applying for or holding the specified Responsible Officer / Accountable Person positions.

Responsible Officer Position	Assessor
Candidates for election as Director	• Corporate Governance Committee
Directors Annual Assessment	• Corporate Governance Committee
Auditors	• Audit Committee
Chief Executive Officer / Company Secretary	• Corporate Governance Committee
Executive Management Team	• Corporate Governance Committee
Other Management	• Chief Executive Officer

6.2 Information to be Obtained by Dnister

Dnister requires candidates to complete a Responsible Officer / Accountable Person attestation that includes a declaration relating to the criteria APRA requires Dnister 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.

Dnister 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* (Cth) 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 Dnister to provide any information that it gathers to APRA.

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

6.3 Annual Fit and Proper Assessments

Assessments of Responsible Officers / Accountable Persons holding Responsible Officer / Accountable Person positions will be conducted on an annual basis in August.

Dnister has a check list for the annual fit and proper assessments.

Responsible officers / Accountable Persons are required to complete an annual attestation. This requires a Responsible Officer / Accountable Person to declare that the information contained in the statutory declaration is true and correct. It also requires responsible officers / 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 Dnister, or the person responsible for assessing the fitness and propriety of a Responsible Officer / 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 Officer / Accountable Person. This will include undertaking reasonable inquiries and, if necessary, collecting sensitive personal information and will consider the possible materiality of the matter.

6.4 Documentation of Fit and Proper Assessments

Dnister will document each fit and proper assessment conducted in accordance with this Fit and Proper Policy for each Responsible Officer / Accountable Person and will retain such documentation for current

Responsible Officer / Accountable Person position and “recently past” Responsible Officers / Accountable Persons of Dnister. Dnister will also retain copies of “information considered in making the assessment”. These documents will be stored in the W Dnister network drive by the CRO.

7 When a Responsible Officer / Accountable Person is not Fit and Proper

If, after Dnister has made reasonable enquiries into a person’s background for the purpose of assessing them for a Responsible Officer / Accountable Person position, Dnister does not consider the person to be fit and proper (or if a reasonable person in Dnister’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 Officer / Accountable Person, does not continue to hold, the responsible officer / Accountable Person position”; or

(b) if Dnister is “unable to refuse to make the appointment or remove the person” from the Responsible Officer / 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). Dnister will “not hinder APRA in exercising or considering the exercise of its powers of removal and disqualification in relation to the person”.

Dnister must notify APRA “within 10 business days if it assesses that a Responsible Officer / Accountable Person is not fit and proper”.

8 Whistleblowing

As detailed in the Employee Handbook PER-001, Dnister 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, Dnister has developed the whistleblowing policy (and associated confidential and secure mechanisms) to protect persons making reports to Dnister, APRA or other relevant regulatory authority about any non-compliance or unethical behaviour and included this in the Employee Handbook.

Dnister 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 Officer / 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 Officer / 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, Dnister will "not constrain, impede, restrict or discourage, whether by confidentiality clauses, policies or other means" a person with a belief that a Responsible Officer / Accountable Person or Dnister has not complied with CPS520: "from disclosing information or providing documents to APRA".

Additionally, employees and all Responsible Officers / 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 Officer / 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 Officer / Accountable Person does not meet Dnister'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 Officer'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. Dnister will provide the whistleblowers with feedback on the investigation into the re-evaluation of the person's fit and proper assessment. Dnister 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.

Dnister 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 Dnister 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 Dnister, 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

Dnister 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 FAR impose on Dnister several 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 officers. Dnister 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 Officer / Accountable Person position	"The following details, to the extent known to the regulated institution: • 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. FAR within 21 days by notifying the regulators of an accountability statement and updated accountability map.
A Responsible Officer / Accountable Person resigns, retires or is removed.	Notification of that change.	Within 28 days of the change. FAR within 21 days as above.
There is a material change in the responsibilities of a Responsible Officer / Accountable Person.	Details of the material change to the responsibilities of a Responsible Officer / Accountable Person.	Within 28 days of the change. FAR within 21 days as above.
Dnister "forms the belief that a person is not fit and proper for a Responsible Officer / Accountable Person position they hold"	The basis for the belief and: (a) if the person remains in the Responsible Officer / 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 Officer / Accountable Person position for	"As soon as practicable, and in any event, within 10 business days after the date when the relevant belief was formed." FAR within 21 days as above.

Circumstance giving rise to notifying APRA	Information to be notified to APRA	Time at which information to be notified
	regulated institution considers they were not fit and proper, a statement of that fact.	
Dnister "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 Dnister 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." FAR within 21 days as above.
Annual reporting	The following: (a) "a list of Dnister's responsible officers / Accountable Persons with, for each, their date of birth (for identification purposes only) and the Responsible Officer position that they hold at the date of lodgment of the list.	Annual D2A Reporting ARF520 Report as at 31 March. FAR, as and when changes occur and then within 21 days.
A request from APRA or ASIC for information or documentation "to assist APRA or ASIC 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 or ASIC.

10 Review and Publication of Fit and Proper and FAR Policy

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

Dnister will make the policy available to any person within the scope of this policy upon request. A copy of the Fit and Proper and FAR 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 Officers / Accountable Persons on the provisions of this Fit and Proper and FAR Policy and a copy will be given as part of the induction process to all persons employed, promoted, or elected into a Responsible Officer / Accountable Person position.

11 Fit and Proper and Risk Management

Having a person who is not fit and proper employed in a Responsible Officer / Accountable Person position must be considered a compliance risk. Consequently, this Fit and Proper and FAR 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 Officer / Accountable Person Definitions

Director

A Director is defined in section 9 of the *Corporations Act 2001* (Cth) 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 Dnister 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 Dnister body."

Responsible Officer / Accountable Person

A Responsible Officer is defined in paragraph 14 of CPS 520 and the FAR 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* (Cth) (Responsible Officer auditor); and

(d) any other person whom APRA or ASIC determines by notifying the regulated institution in writing being a person whom APRA or ASIC 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 Officer / Accountable Person Position

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

Dnister's Schedule of Responsible Officer / Accountable Person Positions

Designated Responsible Officers as at 8 June 2023

Category of Responsible Officers / Accountable Persons	Responsible Officer / Accountable Person Position	Name of Responsible Officer / Accountable Person	Date of Birth
Directors	Director	Bohdan Wojewidka	3/4/1956
	Director/Chairman	Andrew Pavuk	4/12/1956
	Director/Deputy Chairman	John Lipkiewicz	25/09/1955
	Director	Nicholas Bugryn	30/04/1984
	Director	Luke Galashchuk	21/02/1982
	Director	Pavlo Smoliy	18/03/1984
	Company Secretary	Ashley Hood	25/11/1964
	Company Secretary	Paul Coulson	15/12/1972
Senior Managers	Chief Executive Officer	Ashley Hood	25/11/1964
	Chief Financial Officer	Paul Coulson	15/12/1972
	Chief Operations Officer	Shelley Tung	31/08/1968
	Chief Member & Community	Adam Alsbury	13/11/1975
	Chief Risk Officer	Philip Timewell	15/03/1962
Auditors	Crowe Horwath	Brad Bohun	
	Grant Thornton	Derek Ng / Kelsey Johnson	

Dnister’s Responsible Officer / Accountable Person Competency Matrix

As required by CPS 520 and FAR and using RG 105 as guidance, Dnister has defined and documented “the competencies required for each Responsible Officer / Accountable Person position” as follows. This documentation includes “any training or induction processes required” for each Responsible Officer / Accountable Person position “on appointment to the position and on an ongoing basis”.

<table>
<tr><th>Category of Responsible Officers</th><th>Responsible Officer / Accountable Person Position</th><th>Competencies necessary prior to commencement</th><th>Induction process</th><th>On-going training</th></tr>
<tr><td rowspan="2">Directors</td><td>Director</td><td>Each Director:
- 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
Combined Directors Skills
- financial skills
- audit & risk management
- corporate governance understanding</td><td rowspan="2">Policies and procedures of the Co-operative.
Director’s Handbook
Introduction to Understanding Financial Reports</td><td rowspan="2">AICD, AM I or other professional industry related development programs</td></tr>
<tr><td>Chairman</td><td>-effective leader and motivator
- Strategic Focus
- Mentor for Directors
- Good Judgment</td></tr>
</table>

Dnister's Responsible Officer Competency Matrix

Category of Responsible Officers	Responsible Officer / Accountable 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 Director's Handbook Employee's 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	Degree level accounting qualifications, CA/CPA, and 5 years' experience in a senior managerial/finance position		
	Chief Operating Officer	Qualification and 5 years' experience in a senior managerial position		
	Chief Member & Community Officer	Qualification and 5 years' experience in a senior managerial 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 Officer / 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\3.10 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. Print out 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; and
    - 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.** (CEO / Company Secretary)
- APRA will have to be informed. (Company Secretary)
- Provide new Director, Manager, or Auditor with copy of current Policies and Charters. (CEO / Company Secretary)
- 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 Risk Officer)
- Update Phone Listing and Website Director/ Manager Profile (Chief Member and Community Officer)
- Update Business Continuity Plan (BCP) (Chief Risk Officer)
- Update Conflict of Interest Matrix (Company Secretary)

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

Company Secretary.

Signature: Name: Date:

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

2.1: Character Attestation

Responsible Officer / Accountable Person Character Attestation Form

I ____________________________________ of ________________________________ state that at no time have I:

- Failed to comply, in any material respect, with Dnister 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 judgment.
- 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 Officer / 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 Officer 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 Officer / 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* (Standard) *and the FAR Act*, which requires certain information to be collected about and attested to by candidates for what it terms Responsible Officers / Accountable Persons Positions.

[Insert position] is such a position and we have been authorised by [name of Responsible Officer / Accountable Person] to ask you about issues contained in the Standard. I can fax or email 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/ Accountable Person] possess the following:

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

Do you think [name of Responsible Officer / 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 judgment?

  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:

  ____
  ____
  ____
  ____
  ____

2.2: Questions Asked of Nominated Referees

- Has the Responsible Officer / Accountable Person 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 judgment?

  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 judgment 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

- Has the Responsible Officer / Accountable Person 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 Officer position under the *Banking Act 1959* (Cth)?

  No ❑
  Yes ❑ Details:

  ____
  ____
  ____
  ____

As far as you are aware, does [name of Responsible Officer] 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 Officer]'s competence, character, diligence, honesty, integrity, and judgement to perform their duties?

No ❑
Yes ❑ Details:

____
____
____
____

Thank interviewee for time.

Signed by the Interviewer:

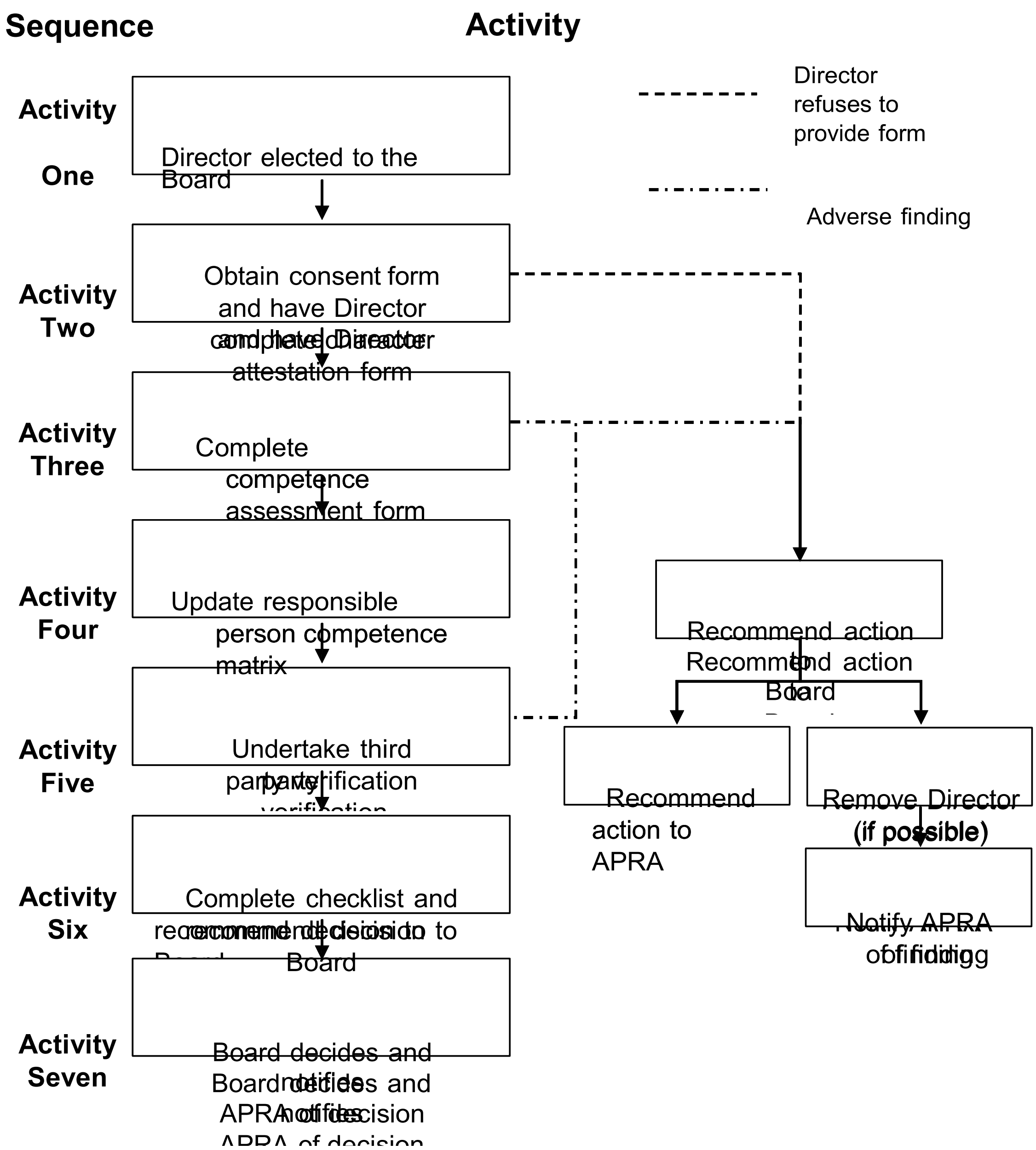
____
Signature

_____________________ _____________
Name Date

Document B 3: Responsible Officer / Accountable Person Appointment Process

3.1: Director Appointment Process

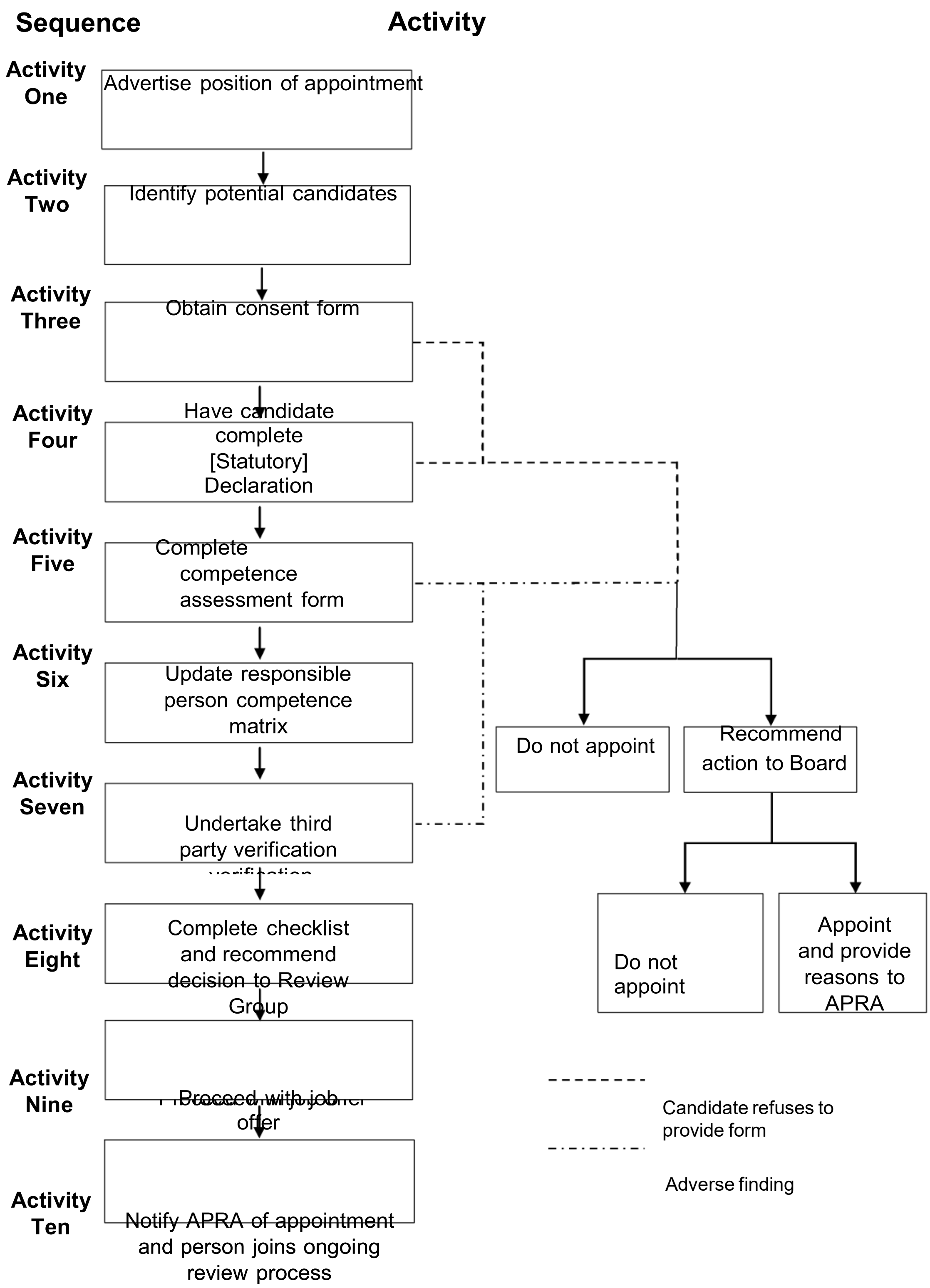
Activities involved in reviewing directors



Document B 3: Responsible Officer / Accountable Person Appointment Process

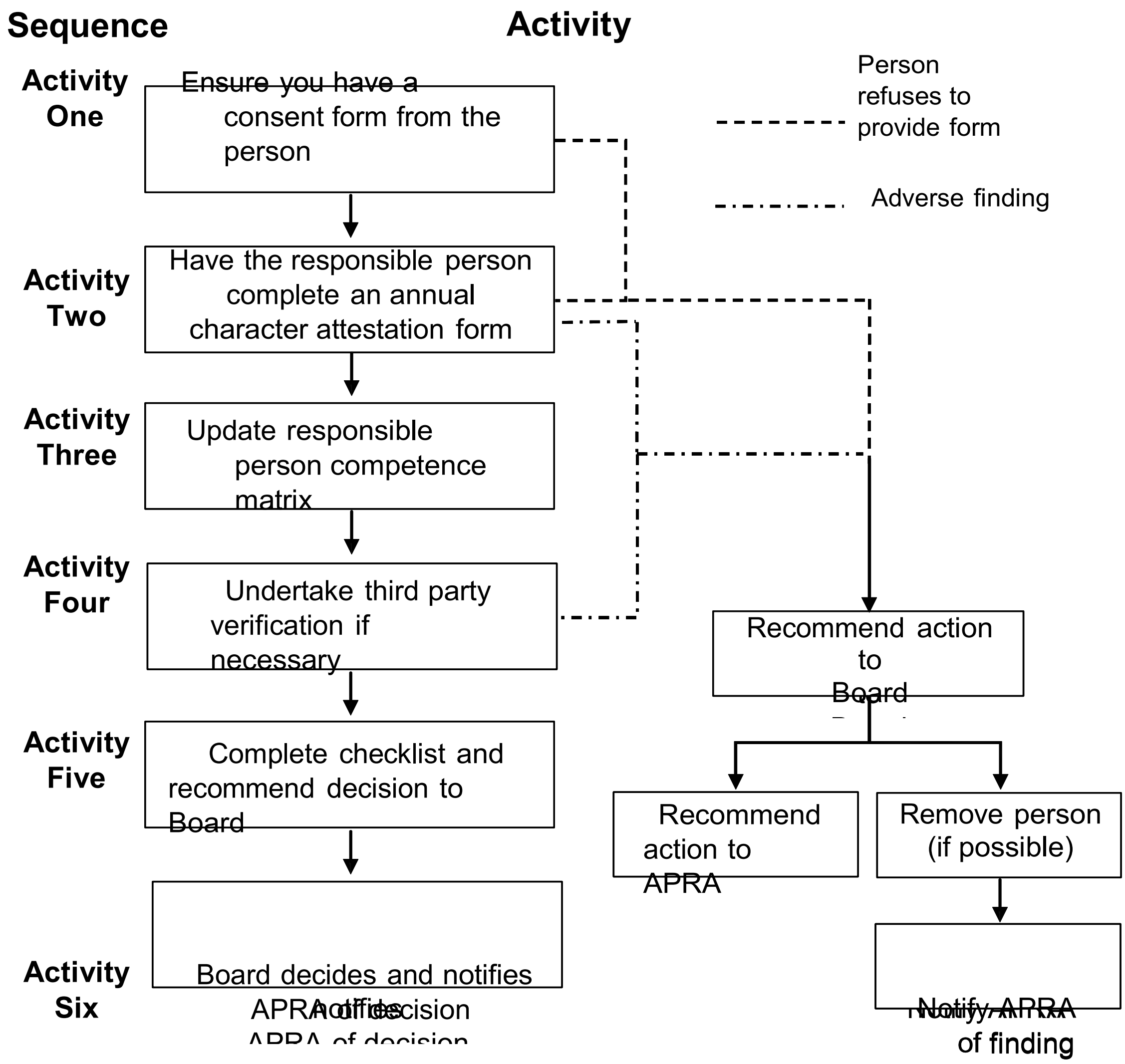
3.2: Management Responsible Officer / Accountable Person Appointment Process

Process for ensuring responsible person appointments is 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 consider 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 Officer / Accountable Person Positions

The Australian Prudential Regulation Authority (APRA) has issued *Prudential Standard CPS 520 Fit and Proper and the FAR Act* that requires certain information to be collected about and attested to by candidates for what it terms Responsible Officer / 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, Dnister is required to comply with the *Privacy Act 1988* (Cth) (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 Officer / 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 Officer / Accountable Person Positions to assist with any of the above purposes.

I have read and agree to the information above:

<u>Full name: </u>…………………………………………………………………………….

<u>Signed: </u>………………………………………………………………………………..

<u>Date: </u>…………………………………………………………………………………..

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 Dnister'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 Officer 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: Director's 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

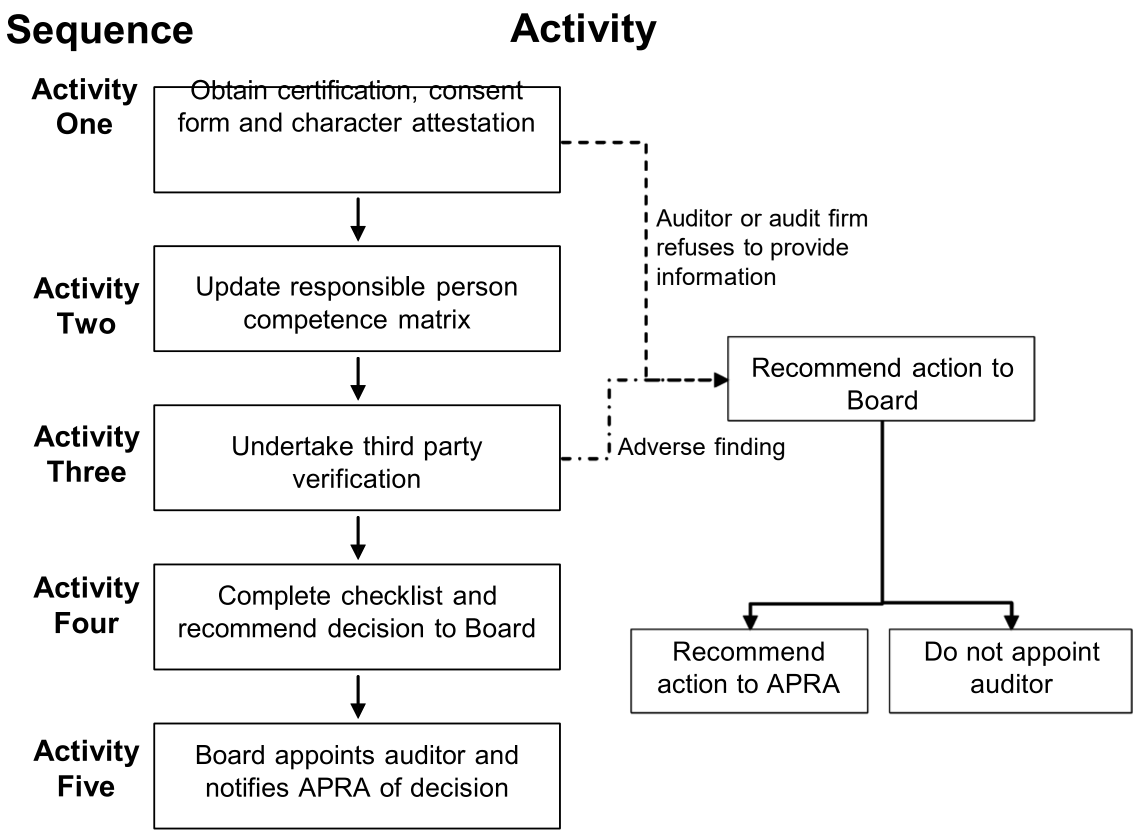
Date __________

____
Print Witness Name

B8 Audit & Risk Management

Document B 8: Responsible Officer Auditor Assessment Criteria and Process

8.1: Auditor Appointment Process



8.2: Auditor Competence Certification Criteria

Auditor Competence Certification Form

Auditor:

(firm) ________________________

Responsible Officer: ________________________

Skills and Experience:

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

Qualification	Year awarded	Awarding Institution

Provide details of appropriate experience of the Responsible Officer. 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 Officer belongs:

Professional Association	Year Joined	Current Grade or Status	Other

Is the Responsible Officer registered as an auditor under the *Corporations Act 2001* (Cth)?

Yes/No

Is the Responsible Officer ordinarily resident in Australia?

Yes/No

Has the Responsible Officer ever been disqualified from holding the position of auditor or any other Responsible Officer 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 Officer completed the appropriate Attestation Form?

Yes/No

Signed by Assessor:

____

Signature

_________________________ ______________

Name Date

8.3: Auditor Reference Check Criteria

Introduce yourself.

We are considering engaging [Name of proposed 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* (Standard), which requires certain information to be collected about and attested to by candidates for what it terms Responsible Officer Positions. The Auditor of Dnister is in such a position and we have been authorised by [name of responsible officer] to ask you about issues contained in the Standard. I can email 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 Officer]'s
   a. Competence? Yes/No
   b. Character? Yes/No
   c. Diligence? Yes/No
   d. Honesty? Yes/No
   e. Integrity? Yes/No
   f. Judgment? Yes/No
   Details:
   ____
   ____
   ____
   ____

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 Officer] will not properly perform the position?
   Yes/No
   Details:
   ____
   ____
   ____
   ____

6. Is there any other fact which you think we need to be aware that goes to [name of proposed Responsible Officer]'s competence,

____

character, diligence, honesty, integrity and judgment 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
09 Feb 2026 – Corporate Governance Committee via Circular Resolution **24 Feb 2026** - Board	Minor revisionary changes only. Updated Co-operative's Schedule of Responsible Officer / Accountable Persons Positions Amended "the Co-operative" to "Dnister" throughout the document to reflect the rebrand.
18 June 2024 – Corporate Governance Committee 25 June 2024 - Board	Changes to reflect the transition from BEAR to FAR
20 June 2023 – Corporate Governance Committee 27 June 2023 - Board	Refer to summary of changes document dated 8 June 2023.
7 June 2022 Corporate Governance Committee 21 June 2022 - Board	Refer to summary of changes document dated 1 June 2022
8 June 2021 - Corporate Governance Committee 29 June 2021 - Board	Refer to summary of changes document dated 8 June 2021.
23 June2020 – Corporate Governance Committee 30 June 2020 - Board	Refer to summary of changes document dated 16 June 2020.
11 June 2019 Corporate Governance Committee 25 June 2019 - Board	Refer to the summary of changes document dated 11 June 2019
4 Dec 2018 Corporate Governance Committee 18 Dec 2018 Board	As detailed in the summary of changes document dated 4 December 2018
12 Sep 2017 – Corporate Governance Committee 26 Sep 2017 - Board	No change.
08 Dec 2016 – Corporate Governance Committee 22 Dec 2016 - Board	Change of title "Corporate Services Manager" to "Chief Financial Officer". Capitalised "Director" where not a quote.
18 Jun 2015 – Corporate Governance Committee 30 Jun 2015 - Board	Change "Audit & Risk Management" to "Audit" 3.1 dot point 3 insert the word "ideally" at the start
10 Jun 2014 – Corporate Governance Committee 24 Jun 2014 - Board	"Dnister" replaced with "Dnister" "ITSA" replaced with "Australian Financial Security Authority (AFSA)" as it was renamed "Privacy Policy" extended to "Privacy and Credit Reporting Policy"
13 Aug 2013 – Corporate Governance Committee 27 Aug 2013 - Board	APS520 is now CPS520 Updated January 2013. As a result, considerable changes have been made to the policy that reflect the updated standard. Attachment 1 removal of subsidiary section at end because we do not have a subsidiary and it is not relevant. The Policy has been considerably reworded in order to clarify the policy and align it with CPS520.
Jul 2012 – Corporate Governance Committee 24 Jul 2012 - Board	Minor grammatically changes only.

1 March 2011 – Corporate Governance Committee 16 March 2011 - Board	No changes.
July 2009 – Corporate Governance Committee	Amendments to chapter 6 and Reporting Schedule in chapter 8. Other minor changes and formatting.