

Fit and Proper Policy

This policy establishes the criteria to assist both the Board and the Risk Committee in determining whether an individual is fit and proper to serve in a “responsible person’s” position and has adequate knowledge, expertise and experience commensurate with their responsibilities.

Tyro will comply with all statutory and regulatory requirements including APRA Prudential Standard APS 520 - *Fit and Proper for ADIs*, effective 1 October 2006, in regards to the fit and proper requirements for responsible persons.

The Fit and Proper Policy is applied to the following “responsible persons”:

- Directors;
- Senior Managers;
- Auditors who provide reports required to be prepared by auditors under the Banking Act 1959 (including Prudential Standards) or Reporting Standards under the Financial Sector (Collection of Data) Act 2001; or
- And any person who might come under the definition of a responsible person, being someone who plays a significant role in the management or control of Tyro or whose activities may materially impact on prudential matters. The Risk Committee will determine who else is a responsible person.

Tyro has Job Specifications for senior managers which detail the duties for each position. Directors and other responsible persons including auditors are required to have appropriate competencies for their positions.

The Fit and Proper Policy will apply to all existing responsible persons and anyone who is to hold a responsible person position. The assessment under Tyro’s Fit and Proper Policy will be conducted:

- 1) before the person holds the responsible person position, or
- 2) within 28 days if the person holds the responsible person position due to a resolution of Tyro members, or Tyro or APRA have determined that that person is a responsible person,
- 3) on a limited basis annually for all responsible persons, (consisting only of their signature on our Fit and Proper Person Declaration)
- 4) every three years for all existing responsible persons
- 5) if there are indications of potential Fit and Proper issues with any current responsible person.

Note that interim appointment to a responsible person position may occur without a full Fit and Proper assessment for a period up to 90 days. APRA’s consent is required for any period which extends beyond 90 days.

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The purpose of Tyro's Fit and Proper assessment is to ensure that the person who is holding or may hold a responsible person:

- 1) has the following qualities to properly perform their duties (competence, character, diligence, honesty, integrity, and judgement);
- 2) is not disqualified under the Banking Act 1959 from holding the position;
- 3) does not have a conflict of interest or if there is a conflict of interest, this will not create a material risk

Additionally, for auditors who hold or may hold a responsible person position, Tyro requires that person:

- 1) be registered as an auditor under the Corporations Act 2001;
- 2) be a resident of Australia
- 3) be a member of a recognised professional body; and
- 4) have a minimum of 5 years of relevant experience in the audit of ADI's and familiarity with current ADI audit issues.

Tyro will provide our Fit and Proper Policy to anyone who is or will hold a responsible person before the Fit and Proper assessment is performed.

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