Fit and Proper Policy

Board Policy | Global

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Replace all references to “the Company” with your organisation’s name.

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1. Purpose

The prudent management of the Company depends on the competence, character and diligence of the individuals who direct, manage and audit it. This Policy establishes the framework by which the Company satisfies itself that each of its Responsible Persons is fit and proper to hold their position, consistent with the BCBS Corporate Governance Principles for Banks, the fit and proper expectations of the Basel Core Principles for Effective Banking Supervision, and the fitness and propriety requirements of the Company's prudential regulator.

The Policy defines who the Company's Responsible Persons are, the criteria against which fitness and propriety are assessed, the checks and information required before appointment, the cadence and triggers for reassessment, the governance of assessment decisions, and the actions the Company must take — including remediation, removal and notification to its regulators — where a person does not meet, or ceases to meet, the required standard.

This Policy has been approved by the Board of Directors. It is owned by the Company Secretary, who is accountable for its maintenance, for the operation of the Responsible Persons Register, and for reporting to the Board on its operation at least annually.

2. Scope

This Policy applies to the Company and to each of its subsidiaries that is a prudentially regulated financial institution. It applies to every Responsible Person of the Company, wherever located, and to candidates for appointment to a Responsible Person position, including persons proposed to act in such a position on an interim basis for more than [90] days.

- Directors of the Board, including alternate directors while acting.
- Senior Managers, including the CEO and each executive reporting directly to the CEO with responsibility for a core function (finance, risk, compliance, credit, treasury, technology, operations).
- Key Function Holders, including the heads of the risk management, compliance and internal audit functions where those persons are not otherwise Senior Managers.
- The appointed external auditor of the Company, to the extent the Company's prudential regulator requires the auditor's suitability to be assessed.
- Persons registered or approved under an Accountability Regime applicable to the Company, to the extent set out in the Interaction with Accountability and Licensing Regimes section.

This Policy does not replace pre-employment screening applied to staff generally under the Recruitment Policy, nor the conduct obligations in the Code of Conduct; those instruments continue to apply. Where a person holds Responsible Person positions in more than one group entity, a single assessment may be relied upon by each entity provided the assessment addresses the requirements of each position and each Assessing Authority formally adopts it.

Jurisdictional application. This Policy states international best practice drawn from the frameworks listed in the Regulatory Framework section. The Company must map the requirements of this Policy to the law and regulatory requirements of each jurisdiction in which it operates — including local approval, registration, notification and criminal-record-check regimes — and, where local law or the requirements of a local regulator impose a stricter or additional requirement, local law prevails.

3. Definitions

Term	Definition
Accountability Regime	Any senior manager accountability regime applicable in a jurisdiction in which the Company operates, under which named senior individuals must be registered or approved by a regulator, allocated defined responsibilities, and held individually accountable for the areas they control.
Adverse Information	Any information that calls into question whether a Responsible Person meets, or continues to meet, the fitness and propriety criteria in this Policy, including criminal charges, regulatory action, insolvency events, disqualification, material conflicts of interest or serious misconduct findings.
Assessing Authority	The body or person authorised under this Policy to determine whether an individual is fit and proper: the Board for directors and the CEO; the Board [Nominations / Governance] Committee for other Senior Managers, Key Function Holders and the appointed external auditor, as delegated.
Conflict of Interest	A situation in which a person's private interests, relationships, financial or family interests, or duties owed to another person or entity, could improperly influence, or could reasonably be perceived to influence, the performance of their duties to the Company or its customers. Conflicts may be actual, potential or perceived.
Fit and Proper Assessment	The documented process by which the Company determines whether a person meets the required standards of honesty, integrity, competence, financial soundness and freedom from disqualification, undertaken before appointment to a regulated role, periodically thereafter, and on the emergence of adverse information.

Key Function Holder	A person, other than a director or member of senior management, who heads a control function or another function whose sound operation is material to the Company's safety and soundness or gives significant influence over its risk profile, including the heads of risk management, compliance, internal audit and actuarial functions where those roles exist.
Prudential Regulator	The authority responsible for the prudential supervision of the Company in a jurisdiction in which it is licensed or authorised, including any authority whose approval of, or non-objection to, an appointment is required by applicable law.
Regulatory Approval	Any prior approval, non-objection, registration or notification that applicable law requires from the Company's Prudential Regulator or conduct regulator before, or in connection with, the appointment or cessation of a Responsible Person.
Responsible Person	A person whose fitness and propriety the Company must assess under this Policy, comprising each director, each Senior Manager, each Key Function Holder, the appointed external auditor, and any other person designated under the Responsible Persons section of this Policy.
Responsible Persons Register	The register maintained by the Company Secretary recording each Responsible Person, their position, assessment history, assessment outcomes, conditions, Adverse Information and relevant regulatory notification dates.
Senior Manager	A person, other than a director, who holds senior executive responsibility for the Company or for a significant business unit or control function, including any person designated, registered or approved as such under the senior manager accountability regime applicable in the Company's operating jurisdiction(s) or, where no such regime applies, under the Company's own accountability arrangements.
Spent Conviction	A conviction that, under applicable rehabilitation-of-offenders or spent-convictions law in the relevant jurisdiction, need not be disclosed and must not be taken into account, subject to any

	statutory exclusions applicable to positions in prudentially regulated institutions.

4. Regulatory Framework

The key legislation, regulations and standards relevant to this document include (as amended from time to time):

Instrument / Standard	Relevance
BCBS Corporate Governance Principles for Banks	Requires that board members and senior management be, and remain, suitably qualified — individually and collectively — in competence, integrity and independence of mind; the substantive foundation of this Policy.
Basel Core Principles for Effective Banking Supervision (BCBS, revised 2024)	Establishes the supervisory expectation that banks assess the fitness and propriety of board members and senior management at licensing and on an ongoing basis, and that supervisors may remove unsuitable individuals.
G20/OECD Principles of Corporate Governance (2023)	Sets expectations for board nomination, evaluation and renewal processes, disclosure of directors' other commitments, and management of conflicts of interest reflected in this Policy.
FSB toolkit — Strengthening Governance Frameworks to Mitigate Misconduct Risk (2018)	Informs the Company's approach to responsibility mapping, regulatory references on hiring, and preventing the recycling of individuals with misconduct histories ("rolling bad apples").
FSB Principles for Sound Compensation Practices and Implementation Standards	Basis for applying remuneration consequences, including malus and clawback of deferred variable remuneration, where a Responsible Person fails accountability or propriety standards.
The senior manager accountability regime applicable in the Company's jurisdiction(s)	Where such a regime applies, its registration, responsibility-statement and notification obligations are coordinated with the assessments made under this Policy [insert local regime].
The fitness and propriety requirements of the Company's prudential regulator	Local prudential rules on the assessment, approval and notification of directors, senior managers and key function holders; where stricter than this Policy, they prevail [insert local instrument].
ISO 37002:2021 Whistleblowing management systems	Reference model for receiving and handling whistleblower disclosures, a

End of preview

This is a preview extract. The complete document continues beyond the pages shown here.

The full document is supplied as a single, fully editable Microsoft Word (.docx) file immediately after purchase — including every remaining section, the definitions, the regulatory framework references and all appendices and templates.

Bracketed prompts such as [30 days] mark the points where your own thresholds, committee names and local regulatory references are inserted.