

FIT AND PROPER REQUIREMENTS POLICY

INTRODUCTION

The implementation of this policy is to clarify and consolidate the duties and responsibilities of the key responsible persons of MBSB Bank (hereinafter referred to as the “Bank”) as set out in this policy.

The adoption of these guidelines is aimed to raise the standards of corporate governance in the Bank in ensuring that members of the senior management are capable to provide strategic leadership that influences the financial position and future direction of the Bank. As such, persons in these positions should have the necessary qualities, competencies and experience that will allow them to perform the duties and carry out the responsibilities required of the position in the most effective manner.

THE GUIDELINES ON FIT AND PROPER REQUIREMENTS FOR KEY RESPONSIBLE PERSONS AND COMPANY SECRETARY

The key responsible persons of the Bank shall be a person of high caliber and competent as they are entrusted by the stakeholders for managing the affairs and ensuring the sound operations of the Bank.

1. Members of the BOARD and Senior Management of the Bank provide strategic leadership that influences the financial position and future direction of MBSB Bank. As such, persons in these positions must have the necessary qualities, competencies and experience that will allow them to perform the duties and carry out the responsibilities required of the position in the most effective manner.
2. The performance of the BOARD is in turn substantially influenced by the effectiveness of the Company Secretary in facilitating the efficient conduct of BOARD processes and meaningful interaction of the BOARD with Senior Management. As such, it is important that the BOARD is assisted by a qualified and competent company secretary.
3. The expectations on the suitability of key responsible persons and the company secretary are an extension of the corporate governance framework and are aimed at ensuring that these persons have the integrity and competence required to perform their roles.
4. This policy and procedures set out the requirements for the Bank to assess and determine the fitness and propriety of key responsible persons as follows:-
 - a. The minimum fit and proper criteria applicable to key responsible persons and company secretary;
 - b. The responsibilities of the Bank, the BOARD and BOARD’s nominating committee, and
 - c. To adopt and ensure effective implementation and compliance to the fit and proper policies.

FIT AND PROPER CRITERIA

1. Any person appointed as a key responsible person or company secretary must not be disqualified and have been assessed to have met all the minimum fit and proper criteria as stipulated below:-
 - a. **Probity, personal integrity and reputation** - person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
 - b. **Competence and capability** - person must have the necessary skills, experience, ability and commitment to carry out the role.
 - c. **Financial integrity** - person must manage his debts or financial affairs prudently.

2. Considerations / Information relevant to the assessment of the fitness and propriety of key responsible persons may vary depending on the degree of their influence and responsibilities in the affairs of the Bank