

CREDIT UNION SA LIMITED

ACN 087 651 232

CONSTITUTION

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Division 1. — Introductory Matters

1.1 Definitions

In this Constitution, unless the context requires otherwise:

ADI (short for 'Australian deposit-taking institution') means a body corporate that **APRA** has authorised to conduct banking business in Australia under the *Banking Act 1959 (Cth)*

AGM means the annual general meeting of the **credit union**

APRA means the Australian Prudential Regulation Authority

appointed director means a **director** for the time being of the **credit union** appointed by the **board** under Rule 13.4(1).

board means the board of **directors**

candidate means an individual nominated for election as an **elected director** pursuant to clause A5-3(3) of Appendix 5 or a retiring **director** standing for re-election pursuant to clause A5-3(4) of Appendix 5

common bond refers to the common bond of membership set out in Appendix 2

Corporations Act means the *Corporations Act 2001 (Cth)*

credit union means Credit Union SA Ltd ACN 087 651 232

deposit means the placement of money in an account that the **credit union** conducts in the ordinary course of its banking business

direct vote means voting by electronic means on such resolutions nominated by the **board** that are to be considered at a **general meeting**, or voting by electronic means in the election of **directors** if so determined by the **board**, and delivered to the **credit union** in the manner approved by the **board** in accordance with Rule 12.8.

director means a director for the time being of the **credit union**

elected director means a **director** for the time being of the **credit union** appointed by **members** under Rule 13.3

financial accommodation means:

- (a) an advance;
- (b) money paid for, on behalf of or at the request of a person (other than by drawing on the person's **deposit** account with the **credit union**);
- (c) a forbearance to require payment of money owing on any account; and

- (d) a transaction that, in substance, effects a loan or is regarded by the parties to the transaction as a loan,

that the **credit union** provides or enters in the ordinary course of its banking business

fit and proper policy means the policy adopted by the **board** (as amended from time to time) in relation to the fitness and propriety of **directors**, senior managers and auditors as required by **prudential standards**

general meeting means a general meeting of the **members**

material personal interest has the same meaning as in Part 2D.1 of the **Corporations Act**

member means a person whose name the **credit union** has entered for the time being in the Register of Members it keeps under the **Corporations Act**

member share means a share as described in Appendix 3

Nominations Panel means any Nominations Panel appointed by the **board** in accordance with clause A5-6(3) of Appendix 5

person includes a body corporate as well as an individual

prudential standard means:

- (a) any prudential standard that **APRA** determines under the *Banking Act 1959 (Cth)*;
- (b) any prudential regulation made under *Banking Act 1959 (Cth)*; and
- (c) any **APRA** transitional prudential standard applying to the **credit union** under the *Financial Sector Reform (Amendments and Transitional Provisions) Regulations 1999 (Cth)*.

secretary means a secretary for the time being of the **credit union**

subscription price means the amount of money (if any) payable by a person on subscription for the **credit union's** shares

1.2 Interpretation

- (1) In this Constitution, unless the context requires otherwise:
 - (a) the singular includes the plural and vice versa;
 - (b) where an expression is defined in this Constitution, any other grammatical form of the expression has a corresponding meaning;
 - (c) words and expressions defined in the **Corporations Act** have the same meaning in this Constitution;
 - (d) headings are for purposes of convenience only and do not affect the interpretation of this Constitution;

- (e) a reference to a statute or regulation includes all amendments, consolidations or replacements of the statute or regulation;
 - (f) a reference to this Constitution or another instrument includes all amendments or replacements of the Constitution or the other instrument;
 - (g) a reference to a statutory or other body that ceases to exist or the powers and functions of which are transferred to another body includes a reference to the body:
 - (i) that replaces it; or
 - (ii) to which substantially all the powers and functions relevant to this Constitution are transferred; and
 - (h) a reference to 'in writing' is a reference to any mode of representing or reproducing words in tangible and permanently visible form and includes facsimile and email transmission and documents in electronic form
- (2) The notes to this Constitution are for purposes of convenience only and do not affect the interpretation of this Constitution. The notes do not form part of this Constitution and may be removed or modified without the credit union complying with the **Corporations Act** requirements that apply to removal or modification of constitutional provisions.

1.3 Time

Unless expressly provided otherwise, when this Constitution, or any notice given under this Constitution, states a time or a period of time, the time stated is, or the period of time is calculated by reference to, Standard Time or Summer Time, as the case may be, at the **credit union's** registered office.

1.4 Replaceable rules do not apply

The replaceable rules in the **Corporations Act** do not apply.

1.5 Notices

- (1) This Rule applies to all notices and documents that the **Corporations Act** or this Constitution requires a party to this Constitution to give to another party to this Constitution.
- (2) In this Rule, **business day** means a day that is not:
 - (a) a Saturday or Sunday; or
 - (b) a public holiday or bank holiday in the place where the notice is received.
- (3) A person giving a notice must do so in writing and must address it to the recipient at the following respective addresses:
 - (a) if to the **credit union** — at its registered office or such other address as the **credit union** specifies to **members** from time-to-time; and

- (b) if to a **member** — at the **member's** address appearing in the Register of Members from time-to-time or at any alternative address nominated by the member, or at any fax number or electronic address nominated by the member.

Note: Subrule 3.3(3) deals with giving notices to joint members.

- (4) Subject to the **Corporations Act**, a person may give a notice or other document to another person in any of the ways set out in column 2 of the table and the other person is taken to be given the notice at the time set out in column 3:

1	Hand delivering the notice personally	The notice is taken to be given: <ul style="list-style-type: none"> (i) if hand delivered before 4:00pm on a business day — on that business day (ii) if hand delivered after 4:00pm on a business day — on the next business day (iii) if hand delivered on a day other than a business day — on the next business day
2	Sending the notice by pre-paid post	The notice is taken to be given on the third business day after posting
3	Sending the notice by facsimile transmission	The notice is taken to be given: <ul style="list-style-type: none"> (i) if sent before 5:00pm on a business day — on that business day (ii) if sent after 5:00pm on a business day — on the next business day (iii) if sent on a day other than a business day — on the next business day
4	Sending the notice by electronic means	The notice is taken to be given: <ul style="list-style-type: none"> (i) if sent before 5:00pm on a business day — on that business day (ii) if sent after 5:00pm on a business day — on the next business day (iii) if sent on a day other than a business day — on the next business day

- (5) If a person gives a **member** a notice in accordance with this Rule, any person to whom that **member** transfers or transmits a share is taken to receive the notice when the first person gave the **member** the notice.

Division 2 — Objects & Limit on Powers

2.1 Objects

The *credit union* has the objects set out in Appendix 1.

2.2 Customers must be Members

The *credit union* may only accept *deposits* from, or provide *financial accommodation* to, its *members*. However, this Rule does not apply to the following persons who are not *members*:

- (a) bodies that do not have the power to acquire, or that the law prohibits from acquiring, the *credit union's* shares;
- (b) *ADIs*; and
- (c) any *person* or class of *persons* as determined by the *board* from time to time in its absolute discretion.

Division 3 — Membership

3.1 Admission to Membership

- (1) Subject to any other Rule allowing admission of *members*, the *credit union* may admit a *person* as a *member* only if:
- (a) the person makes a written application in a form the *credit union* requires;
 - (b) if requested to do so by the *credit union*, the person provides evidence, satisfactory to the *credit union*, that the person is eligible to be a *member* under the *common bond*;
 - (c) the person applies for a *member share*; and
 - (d) if an amount is payable, the person pays or agrees to pay the *subscription price* for the *member share*.

Note: The *credit union* may also admit a person as a *member* by registering a transfer or transmission of a *member share* to the person under Rule 9.3, Rule 10.1, Rule 10.2 or Rule 10.3.

- (2) The *board* has an absolute discretion in exercising the *credit union's* power to admit a *person* as a *member* without any obligation to give a reason for not admitting a *person* as a *member*.
- (3) When the *credit union* admits a *person* as a *member*, the *credit union* must:
- (a) issue the *member share* to the *person*;
 - (b) enter the *person's* particulars in the Register of Members as required by the *Corporations Act*; and
 - (c) give the *person* notice that it has admitted the *person* as a *member*.

3.2 Delegation of Power to Admit Members

The *board* may delegate its power to admit *members*, and its power to reject an application for membership, to officers of the *credit union*. The delegation must not include authority to further delegate the powers.

3.3 Joint Members

- (1) The *credit union* may admit 2 or more *persons* eligible for admission under Subrule 3.1(1) as a joint *member* of the *credit union*.
- (2) The *persons* constituting the joint *member* may determine the order in which their names appear in the Register of Members. If the *persons* constituting the joint *member* do not do so, the *credit union* may determine the order in which their names appear in the Register of Members.
- (3) The *person* named first in the Register of Members is the primary joint *member*. The *credit union* may duly give any notice, certificate or other document to the joint *member* by giving it to the primary joint *member*. Only the primary joint *member* is entitled to vote on behalf of the joint *member*.

- (4) At any time, the joint **member** may give the **credit union** a notice requiring the **credit union** to change the primary joint **member** or otherwise change the order in which their names appear in the Register of Members. Each **person** constituting the joint **member** must sign the notice. The **credit union** must change the Register of Member as soon as practicable after receiving the notice.
- (5) Any **person** constituting a joint **member** may give an effective receipt for any dividend, distribution on winding-up or return of capital in relation to the joint **member's** shares.
- (6) The **credit union** may accept **deposits** from, or provide **financial accommodation** to, the joint **member** or to any person constituting the joint **member**.
- (7) The persons constituting a joint **member** are jointly and individually liable for any liability that the joint **member** may have in relation to the joint **member's** shares.
- (8) In this Constitution, the joint **member** is taken to be a **person** separate to the **persons** constituting the joint **member**.
- (9) A joint **member** is regarded as one **member**, regardless of the number of persons who may constitute that joint **member**.
- (10) If one of the **persons** constituting a joint **member** dies, the **credit union** will recognise only the survivor or survivors of the **persons** constituting the joint **member** as being entitled to the deceased **person's** interest in the joint **member's member share**. The **credit union** may require the survivor or survivors to produce such evidence of the deceased's death as it sees fit.

3.4 Minors

The **board** may admit a minor who is eligible for admission under Subrule 3.1(1) as a **member** of the **credit union**.

Division 4 — Termination of Membership

4.1 Removal of the Member's Name from the Register of Members

The *credit union* can remove the *member's* name from the Register of Members if:

- (a) the *credit union* redeems the *member's member share* under Rule 4.2, Rule 4.3 or Rule 4.4;
- (b) if the *member* is an individual — the *member* :
 - (i) dies;
 - (ii) becomes a bankrupt and the *credit union* registers the *member's* trustee in bankruptcy as the holder of the *member's member share* under Rule 10.2; or
 - (iii) becomes mentally incapable and the *credit union* registers the *member's* trustee or guardian as the holder of the *member's member share* under Rule 10.3;
- (c) if the *member* is a body corporate — the *member* is deregistered or dissolved; or
- (d) if the *member* is a trustee for an unincorporated association — the *credit union* registers the transfer of the *member's member share* to another person who is to act as trustee for the unincorporated association;

4.2 Member's Request for Termination

- (1) A *member* may request termination of membership but only upon withdrawing all *deposits* and repaying all *financial accommodation*.
- (2) If a *member* makes a request under Subrule (1), the *credit union* must redeem the *member's member share* as soon as practicable after receiving the request. However, the *credit union* may defer redeeming the *member's member share* until the *board* is satisfied that the *member* has withdrawn all deposits and repaid all financial accommodation.

4.3 Termination by the Credit Union

- (1) The board may redeem a member's member share if:
 - (a) the *member* fails to discharge the *member's* obligations to the *credit union*;
 - (b) the *member* is guilty or suspected of conduct that could reasonably be considered to be detrimental to the *credit union*;
 - (c) the *member* obtained membership by misrepresentation or mistake; or
 - (d) the *member* is the holder of more than one *member share* (and if so, the *board* may determine which additional *member share* or *member shares* to redeem to ensure that the *member* has only one *member share*).

- (2) The **board** may delegate its power to redeem a **member's member share** under Subrule (1) to a committee of **directors**, a **director**, or an officer or officers of the **credit union**. The delegation must not include authority to further delegate the power to redeem a **member's member share**.
- (3) A **member's member share** is redeemed under this Rule 4.3 upon:
- (a) the **board** resolving that the **member's member share** be redeemed; or
 - (b) a **person** or **persons** to whom the **board** has delegated its power under Subrule (2) making a record of a decision that the **member's member share** be redeemed.
- (4) The **credit union** must give written notice that the **member's member share** may be redeemed under this Rule 4.3 to the **member** at least 14 days before the **board**, or a **person** or **persons** to whom the **board** has delegated its power under Subrule (2), makes a decision as to whether to redeem the **member's member share**. The notice must state whether it is proposed that the redemption will be by **board** resolution or by a decision made by a **person** or **persons** to whom the **board** has delegated its power under Subrule (2).
- (5) If a notice given to a **member** under Subrule (4) states that it is proposed that the redemption will be by a decision made by a **person** or **persons** to whom the **board** has delegated its power under Subrule (2), the **member** may, by written notice given to the **credit union** prior to the redemption of the **member's member share**, require that the matter be considered by the **board**. If a **member** gives such notice the **member's member share** may only be redeemed by **board** resolution.
- (6) At the time the **board** considers a resolution to redeem a **member's member share** under this Rule 4.3, the **member** is entitled:
- (a) to be present with or without the **member's** legal representative; and
 - (b) to be heard, either in person or through the **member's** legal representative.
- (7) On redeeming the **member share**, the **credit union** must pay the amount payable on redemption of the **member share** to the **member** by either:
- (a) sending a cheque to the **member's** address as set out in the Register of Members;
 - (b) crediting any of the **member's** accounts with the **credit union**;
 - (c) crediting any other **person's** account with the **credit union** which the **member** nominates, or has nominated, for this purpose; or
 - (d) crediting the amount to a sub-account in the name of the **member** in a general account maintained by the **credit union** for the purposes of holding dormant account monies and/or general redemption proceeds for affected **members**;

at the time the **member share** is redeemed.

4.4 Termination Where Accounts Dormant or Membership Inactive

- (1) This Rule does not apply to a retirement savings account to the extent that the *Retirement Savings Account Act 1997 (Cth)* provides otherwise, to a first home saver account to the extent that the *First Home Saver Account Act 2008 (Cth)* provides otherwise, or to any other account in respect of which the application of the rule would be inconsistent with the requirements of any applicable legislation..

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- (2) The **board** may determine that a **member's deposit** account(s) is dormant if:
- (a) the member has not initiated any transactions in relation to any **deposit** account for at least 12 months before the date of the resolution; and
 - (b) the **credit union** has given the **member** written notice stating that, unless the **member** gives to the **credit union** a written notice within 1 month of the written notice being given by the **credit union** stating that the **member** wishes the account(s) to remain open, the **credit union** intends to declare the account(s) dormant, close the account(s) and redeem the **member's member share**; and
 - (c) the **credit union** does not receive a written notice from the **member** required under Rule 4.4(2)(b).
- (3) The **board** may determine a **member** as inactive if:
- (a) the **member** has not had any deposit or other account open with the **credit union** for a continuous period of 12 months; and
 - (b) the **credit union** has given the **member** written notice stating that, unless the **member** gives to the **credit union** a written notice within 1 month stating that the **member** wishes to remain a **member** of the **credit union**, the **credit union** intends to redeem the **member's share**; and
 - (c) the **credit union** does not receive a written notice from the **member** required under Rule 4.4(3)(b).
- (4) The **credit union** may redeem the **member's member share** on the **board's** determination under Rule 4.4(2) that a **member's** deposit account(s) is dormant (a '**dormancy declaration**') or upon the board's determination under Rule 4.4(3) that the **member** is inactive (an '**inactive declaration**').
- (5) If the **credit union** redeems a **person's member share** as a result of a **dormancy declaration**, the **person** may require the **credit union** to reinstate the **person's deposit** account at any time before the **credit union** pays the money in the **deposit** account in accordance with the relevant unclaimed money legislation. If the **person** requires the **credit union** to reinstate the **person's deposit** account:
- (a) the **credit union** must reinstate the **person's deposit** account as soon as practicable; and
 - (b) if the **credit union** has redeemed the **member's member share** — the **credit union** must issue a **member share** to the **person** and may debit the **member's deposit** account for the **subscription price**.
- (6) In this Rule 4.4 "transaction" in a **member's deposit** account with the **credit union** means a debit or credit to the account, other than for:
- (a) the payment of interest by the **credit union**;
 - (b) the charging of a fee by the **credit union**; or
 - (c) any other transactions initiated by the **credit union**.

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- (7) Upon redemption of a **member share** as a result of a **dormancy declaration** or an **inactive declaration**, the **credit union** must pay the amount payable on redemption of the **member share** by either:
- (a) sending a cheque to the **member's** address as set out in the Register of Members;
 - (b) crediting any of the **member's** accounts (if applicable) with the **credit union**, at the time the **member's member share** is redeemed;
 - (c) crediting any other **person's** account with the **credit union** which the **member** nominates, or has nominated, for this purpose; or
 - (d) crediting the amount to a sub-account in the name of the **member** in a general account maintained by the **credit union** for the purposes of holding dormant account monies and/or general redemption proceeds for affected **members**.
- (8) The **board** may delegate its power to determine under Subrules (2) and (3), and/or its power to redeem a **member's member share** under Subrule (4) to a committee of **directors**, a **director**, or an officer or officers of the **credit union**. The delegation must not include authority to further delegate the relevant power.
- (9) A **member's member share** is redeemed under this Rule 4.4 upon:
- (a) the **board** resolving that the **member's member share** be redeemed; or
 - (b) a **person** or **persons** to whom the **board** has delegated its power under Subrule (8) making a record of a decision that the **member's member share** be redeemed.

Division 5 — Issue of Shares

5.1 Classes of Shares

The *credit union* may only issue *member shares*.

5.2 Board Power to Issue Shares

The *board* may exercise the *credit union's* power to issue shares.

5.3 Restrictions on Issue of Member Shares

- (1) The *credit union* must not issue:
 - (a) options to subscribe for *member shares*;
 - (b) securities that may be converted to *member shares*; or
 - (c) securities with pre-emptive rights to *member shares*.
- (2) The *credit union* may only issue *member shares* in accordance with Subrule 3.1.
- (3) The *credit union* may only issue 1 *member share* to any person. However, the *credit union* may issue to a trustee for an unincorporated association:
 - (a) 1 *member share* to the trustee in the trustee's own right; and
 - (b) 1 *member share* to the trustee as trustee for the unincorporated association.

Note: The *credit union* can issue a *member share* to a person who already constitutes a joint *member*. See Rule 3.3.

Division 6 — Calls, Forfeiture and Liens

6.1 Payment of Calls on Shares

- (1) This Rule applies if some or all of the **subscription price** is payable on the **credit union** calling up payment of some or all of the unpaid **subscription price**. This Rule applies in relation to a share subject to:
 - (a) any restriction in the terms of issue for the share; and
 - (b) any **special resolution** providing that the **credit union** can only call up some or all of the **subscription price** if the **credit union** becomes an externally-administered body corporate
- (2) The **credit union** may call for payment of any amount of the unpaid **subscription price** by **board** resolution. The **credit union** must give a **member** holding a share on which the **credit union** has made a call a notice setting out how much, when and how the **member** must make the payment. The **credit union** must give the notice at least 14 days before the time the **member** must pay the call.
- (3) The **credit union** may revoke or postpone a call on a share by **board** resolution. The **credit union** must give each **member** holding a share for which the **credit union** has revoked or postponed a call notice as soon as practicable after the **board** resolution.
- (4) In any proceeding to recover unpaid instalments, a **member** is conclusively presumed to be liable for a call if:
 - (a) the **credit union's** minutes record the **board** resolution calling for payment of the amount of the call;
 - (b) the **member's** name appeared in the Register of Members as holder of the share on the date of the **board** resolution; and
 - (c) the **credit union** gave the **member** a notice in accordance with Subrule (2).
- (5) At any time, the **credit union** may accept from a **member** prepayment of any amount of the unpaid **subscription price**.

6.2 Effect of Failure to Pay Unpaid Amounts

- (1) This Rule applies if a **member** does not pay any amount of the unpaid **subscription price** at the time the amount becomes due. This Rule does not limit any other remedies that the **credit union** may have against the **member**.
- (2) The **member** must pay:
 - (a) the amount due on the share; and
 - (b) all costs and expenses that the **credit union** incurs (including, without limitation, legal expenses on a solicitor and own client basis or full indemnity basis, whichever is the higher) because the **member** did not pay the amount when it became due.

The **credit union** may waive all or part of the expenses payable under this Subrule by **board** resolution.

- (3) At any time while the amount payable under Subrule (2) remains unpaid in respect of a share, the **credit union** may give the **member** a default notice:
 - (a) setting out:
 - (i) how much is due; and
 - (ii) when the **member** must pay the amount due; and
 - (b) stating that, if the **member** does not pay the amount due by that date, the **member** will forfeit the share.

The date for payment must be at least 14 days after the date on which the **credit union** gives the **member** the default notice. In the absence of any manifest error, the default notice is conclusive evidence of the amount that the **member** must pay the **credit union** as at the date the **credit union** issues the default notice.

6.3 Forfeiture and Surrender

- (1) If a **member** does not comply with the default notice issued under Rule 6.2(3), the **credit union** may forfeit any share to which the default notice relates by **board** resolution. However, the **member** may always comply with the default notice at any time before forfeiture occurs.
- (2) The **credit union** may give the **member** a notice of forfeiture. In the absence of a manifest error, the notice is conclusive evidence of the facts stated in the notice against all persons claiming to be entitled to the share.
- (3) The forfeited shares become the **credit union's** property. The **credit union** may redeem, sell or otherwise dispose of the forfeited shares on the terms and in the manner that the **board** determines.
- (4) The transferee's title is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the shares. The transferee is not required to see the application of the purchase money.
- (5) A **member** may surrender any share to which a default notice relates. The **credit union** may deal with surrendered shares in the same way as it deals with forfeited shares.
- (6) A **member** whose shares have been forfeited remains liable to pay the **credit union** the amounts due:
 - (a) less any amount that the **credit union** must pay the **member** on redemption of the shares; and
 - (b) less any amount that the **credit union** receives on sale or disposal of the forfeited shares.

6.4 Liens

- (1) The **credit union** may at any time exempt a share wholly or in part from this Rule by **board** resolution.
- (2) The **credit union** has a first and paramount lien on:
 - (a) every partly-paid share that a **member** holds; and

- (b) the proceeds of sale of every partly paid share that the **member** holds; and
 - (c) dividends payable on every partly-paid share that the **member** holds,
- for all amounts, whether presently due or not:
- (d) payable in relation to the share; or
 - (e) that the **member** or the **member's** estate otherwise owes to the **credit union**.
- (3) If an amount secured by a lien in Subrule (2) is presently due, the **credit union** may give the holder of the share a sale notice:
- (a) setting out:
 - (i) how much is due; and
 - (ii) when the **member** must pay the amount due; and
 - (b) stating that, if the **member** does not pay this amount by that date, the **credit union** may sell the share.

The date for payment must be at least 14 days after the date on which the **credit union** gives the **member** the sale notice. In the absence of any manifest error, the sale notice is conclusive evidence of the amount that the **member** must pay the **credit union** as at the date the **credit union** issues the sale notice.

- (4) If a **member** does not pay the amount due by the date stated in the sale notice under Subrule (3), the **credit union** may sell the shares on the terms and in the manner that the **board** determines. The **credit union** may:
- (a) execute a share transfer to give effect to a sale of the shares; and
 - (b) register the transferee as the holder of the shares.

The transferee's title is not affected by any irregularity or invalidity in connection with the sale of the shares. The transferee is not required to see the application of the purchase consideration.

- (5) A **member** whose shares have been sold remains liable to pay the **credit union** all amounts that the **member** or the **member's** estate owes to the **credit union**, whether or not presently due, less any consideration that the **credit union** receives on sale of the shares.

Division 7 — Dividends

7.1 Payment of Dividends

- (1) The **board** may determine that the **credit union** pay a dividend on shares to which a right to participate in dividends attaches and may determine:
- (a) the amount of the dividend;
 - (b) the time for payment of the dividend; and
 - (c) the method of payment of the dividend.

The method of payment may include the payment of cash, the issue of securities and the transfer of assets. Where the **credit union** pays the dividend other than in cash, the **board** may fix the value of any securities issued or assets transferred.

- (2) If the terms of issue for a share require the general meeting's approval to any payment of a dividend on the share, the **board's** determination under Subrule (1) is effective only if the **general meeting** approves the dividend before the time for payment of the dividend arrives. The **general meeting** may not vary the **board's** determination.

7.2 Differential Dividends

Subject to the terms on which shares in a class are issued, the **board** may determine dividends to different **members** in a class that differ:

- (a) in amount; and
- (b) in the method of payment (whether cash, securities, assets or any combination of them).

7.3 Interest on Dividends

Interest is not payable on a dividend.

Division 8 — Share Certificates

8.1 Share Certificates

- (1) This Rule does not apply in relation to *member shares*.
- (2) A *member* may require the *credit union* to issue to the *member* without charge 1 certificate for each class of shares in the *credit union* that the *member* holds.

Division 9 — Transfer of Shares

9.1 Form of Share Transfer

A **member** wishing to transfer the **member's** shares must use a share transfer that complies with the following requirements:

- (a) the share transfer relates to 1 class of shares only;
- (b) the share transfer is in writing; and
- (c) the share transfer is:
 - (i) in a form that the **board** approves; or
 - (ii) in any other usual or common form

Note: Subrule 9.3 prevents the credit union registering share transfers in some situations, even though the share transfer complies with the requirements set out in this Rule.

9.2 Ownership of Share Transfer

On receiving a share transfer (or a document that appears to be a share transfer), the **credit union** becomes the owner of the share transfer and has a right to exclusive possession of the share transfer.

9.3 Registration of Share Transfer

- (1) The **credit union** must not register a share transfer if:
 - (a) the terms of issue for the shares prohibit the transfer of the shares to the transferee;
 - (b) the share transfer is not in the form set out in Rule 9.1; or
 - (c) if the transfer of shares is dutiable — the share transfer is not duly stamped.
- (2) The **credit union** may refuse to register a share transfer unless:
 - (a) the shares are fully-paid;
 - (b) the **credit union** does not have a lien on the shares;
 - (c) the transferor has executed the share transfer;
 - (d) the transferee has executed the share transfer;
 - (e) a certificate for the shares accompanies the share transfer;
 - (f) the **board** has all information that it reasonably requires to establish the right of the transferor to transfer the shares; and

- (g) the **board** has all information that it reasonably requires to establish that the transferee agrees to be a **member** of the **credit union**.
- (3) The transferor of shares remains the holder of those shares until the **credit union** enters the transferee's name as holder of those shares in the Register of Members.

9.4 Powers of Attorney

- (1) The **credit union** may assume that a power of attorney authorising the attorney to transfer some or all of the **member's** shares that a **member** appears to have granted:
- (a) is a valid and effective grant of the power it appears to grant; and
 - (b) continues in full force and effect.
- (2) The **credit union** may rely on the power of attorney until it receives a notice informing it that:
- (a) the power of attorney has been revoked; or
 - (b) the **member** has died.

9.5 Suspension of Registration

The **board** may suspend the registration of share transfers at the times and for the periods it determines. The periods of suspension must not exceed 30 days in any 1 calendar year.

Division 10 — Transmission of Shares

10.1 Transmission of Shares on Death

- (1) This Rule 10.1 does not apply when one of the *persons* constituting a joint *member* dies.
- (2) On the death of a *member*, the *credit union* may recognise either the personal representative of the deceased *member* or another *person* who appears to the *board* to be entitled to the deceased *member's* estate as being entitled to the deceased *member's* interest in the *member's* shares. The *board* will determine the information it requires to establish an entitlement to the shares.
- (3) If the personal representative or other *person* (as the case may be) gives the *board* the information it reasonably requires to establish an entitlement to be registered as holder of the *member's* shares, the personal representative or other *person* may elect to:
 - (a) be registered as the holder of the shares; or
 - (b) apply to terminate the membership.

10.2 Transmission of Shares on Bankruptcy

If the trustee of a bankrupt *member's* estate gives the *board* the information it reasonably requires to establish the trustee's entitlement to be registered as holder of the *member's* shares, the trustee may require the *credit union* to register the trustee as holder of the *member's* shares.

10.3 Transmission of Shares on Mental Incapacity

If a *person* entitled to shares because of a *member's* mental incapacity gives the *board* the information it reasonably requires to establish the *person's* entitlement to be registered as a holder of the *member's* shares:

- (a) the *person* may require the *credit union* to register the *person* as holder of the *member's* shares; and
- (b) whether or not registered as the holder of the shares, the *person* has the same rights, obligations and restrictions as the *member*.

Division 11 — Holding Members' Meetings

11.1 Calling Meetings of Members

The **board** may call a **members'** meeting.

11.2 Adjourning Meetings of Members

- (1) The chair of a **members'** meeting at which a quorum is present:
 - (a) may adjourn the meeting with the consent of the meeting by ordinary resolution; and
 - (b) must adjourn the meeting if directed by ordinary resolution.
- (2) The **credit union** must give notice of an adjourned **members'** meeting if the adjournment is for 1 month or more, to each member to whom notice of the meeting was given.
- (3) The only business that an adjourned **members'** meeting may deal with is business unfinished at the **members'** meeting that was adjourned.

11.3 Proceedings at Members' Meetings

- (1) The quorum for a **members'** meeting is:
 - (a) 25 **members** present in person; or
 - (b) if less than 50 **members** are eligible to attend and vote at a **member's** meeting — 50% of the **members** eligible to attend and vote at the **member's** meeting,

Note: Paragraph (b) may apply in relation to meetings of classes of members, where the only members eligible to attend the meeting are members of the relevant class.

- (2) If a quorum is not present within 30 minutes after the time for the **members'** meeting set out in the notice of meeting, the meeting is adjourned to the date, time and place the **board** specifies. If the **board** does not specify 1 or more of those things, the meeting is adjourned to:
 - (a) if the date is not specified — the same day in the next week;
 - (b) if the time is not specified — the same time; and
 - (c) if the place is not specified — the same place.

If no quorum is present at the resumed meeting within 30 minutes after the time for the meeting, the meeting is dissolved.

- (3) The chair of **members'** meetings is:
 - (a) the chair of meetings of the **board**; or

- (b) if the chair of meetings of the **board** is not present or declines to act for the meeting (or part of it) — any deputy chair of meetings of the **board**.

If the chair or any deputy chair of meetings of the **board** is not available within 30 minutes of the appointed start of the meeting, or declines to act, the **members** must elect an individual present to chair the meeting.

- (4) The Standing Orders in Appendix 4 apply to the conduct of debate at **members'** meetings.

Division 12 — Voting at Members' Meetings

12.1 Voting

- (1) A resolution put to the vote at a **general meeting** must be decided on a show of hands unless a poll is demanded.
- (2) Before a **general meeting** votes on a poll, the chair must inform the meeting:
 - (a) how many proxy documents the **credit union** has received that validly appointed a person present at the meeting as proxy;
 - (b) how many of these proxy documents direct the proxies how to vote on the resolution;
 - (c) how the proxies were directed to vote on the resolution; and
 - (d) if the **board** has determined that **members** can vote on an item of business by **direct vote** – the number of valid **direct votes** cast:
 - (i) on the resolution in total;
 - (ii) in favour of the resolution;
 - (iii) against the resolution; and
 - (iv) abstaining from voting.
- (3) The **general meeting** passes an ordinary resolution only if more than half the total number of votes cast on the resolution are in favour of it.
- (4) The chair does not have a casting vote in addition to his or her deliberative vote.

12.2 Voting on a Show of Hands

On a show of hands, the chair's declaration is conclusive evidence of the result, so long as the declaration reflects the show of hands. Neither the chair nor the minutes need to state the number or proportion of the votes recorded in favour or against the resolution. The minutes only need to record that the resolution was passed or not passed.

12.3 Voting on a Poll

- (1) A poll cannot be demanded on any resolution concerning the election of a person to chair the **members'** meeting.
- (2) A poll on the question of an adjournment must be taken immediately. The chair may direct when and the manner in which any other poll must be taken.
- (3) The **members'** meeting may conduct other business even though a poll is demanded on a resolution.

12.4 Body Corporate Representatives

- (1) A **member** that appoints a body corporate representative must give the **credit union**:
 - (a) if the **member** appointed the representative by board resolution — a certified copy of the board resolution appointing the representative; and
 - (b) otherwise — a copy of the instrument appointing the representative,as soon as practicable after appointing the representative, and in any event before any **member's** meeting at which the representative may exercise the **member's** rights.
- (2) In addition to the rights and powers a **member's** representative may exercise under the *Corporations Act*, the representative may exercise the **member's** right to vote in a ballot to appoint **directors** by election.

12.5 Proxies

- (1) The **board** may determine the form of proxy document from time-to-time.
- (2) An appointment of a proxy is not invalid merely because it does not contain all the information required for a valid proxy appointment, so long as it contains:
 - (a) the **member's** name, and is signed by the **member** or otherwise authenticated in accordance with the *Corporations Act* ; and
 - (b) the proxy's name or the name of the office that the proxy holds.
- (3) A proxy does not have a right to vote on a show of hands.
- (4) Unless the **credit union** receives written notice of the matter before the meeting at which a proxy votes starts or resumes, the proxy's vote at that meeting will be valid if, before the proxy votes:
 - (a) the appointing **member** dies;
 - (b) the **member** is mentally incapacitated;
 - (c) the **member** revokes the proxy's appointment;
 - (d) the **member** revokes the authority under which the proxy was appointed by a third party; or
 - (e) the **member** transfers the share in respect of which the **member** or a third party appointed the proxy.

12.6 Objections

An objection to the qualification of a voter:

- (a) may only be made at the **members'** meeting or adjourned **members'** meeting at which the vote objected to is cast; and
- (b) must be ruled upon by the chair whose decision is final.

12.7 Consideration of any resolution that may alter the *credit union's* mutual structure

Appendix 6 applies to any Demutualisation Resolution (as defined in Appendix 6) to be submitted to *members*.

12.8 Direct Voting

- (1) Notwithstanding any other provision of this Constitution, the *board* may determine that *members* may cast *direct votes*:
 - (a) on any or all of the resolutions (including any special resolutions) proposed to be considered and outlined in the notice of meeting, at a *general meeting*; and
 - (b) in the election of *directors* instead of by postal ballot.
- (2) If the *board* determines that votes may be cast by *direct vote*, the board may develop such procedures as they consider appropriate for the casting of a *direct vote*, including procedures for:
 - (a) the form, method, timing and manner of voting by *direct vote*; and
 - (b) the time by which the votes of members to be cast by *direct vote* must be received by the *credit union* in order for the *direct vote* to be effective. This time must be no later than the time appointed for the commencement of the *general meeting* or, in the case of an adjournment, the resumption of the *general meeting* and in the case of an election of *directors* when the ballot closes in accordance with clause A5-12.
- (3) If the *board* allows a *direct vote* in an election of *directors*:
 - (a) the order in which the *candidates* appear on the *direct voting* instrument must be the same as the ballot papers;
 - (b) the *board* must have procedures in place to prevent a *member* voting more than once in the election;
 - (c) the *board* must ensure the anonymity of the voter;
 - (d) the *board* must determine the role of scrutineers and the returning officer in relation to the *direct votes*; and
 - (e) the returning officer must destroy any submitted direct voting instrument, or records of submitted *direct votes*, in relation to the election three months after the declaration of the ballot.
- (4) A valid *direct vote* cast by a *member* has the same effect as if the *member* had cast the vote in person at the meeting or in the case of the election of *directors* as if the member had completed a ballot paper.
- (5) Receipt of a *direct vote* from a *member* has the effect of revoking the appointment of a proxy, attorney or representative made by the *member* under an instrument received by the *credit union* before the *direct vote* was received.
- (6) A *direct vote* received by the company may be withdrawn by the *member* by notice, given to the *credit union* in writing or in electronic form, before the time appointed for commencement of the *general*

meeting or, in the case of an adjournment, the resumption of the **general meeting**. A **direct vote** in an election of **directors** can be withdrawn at any time up to the close of the ballot in accordance with clause A5-12.

Division 13 — Directors — Appointment & Vacation of Office

13.1 Number of Directors

- (1) The **board** shall comprise:
- (a) 5 **electd directors**, and with effect from the end of the **AGM** held in 2018, 4 **electd directors**;
 - (b) not more than 2, if any, **appointed directors** and with effect from the end of the **AGM** held in 2018, not more than 3, if any, **appointed directors**; and
 - (c) the **credit union's** chief executive officer, if the chief executive officer is appointed by the **board** as a **director** under Rule 13.4(2).
- (2) For the purposes of Rule 13.1(1) only, the term 'electd directors' is deemed to include **directors** appointed to fill casual vacancies under Rule 13.5(1), but nothing in Rule 13.1(1) imposes any obligation on the **board** to make appointments to fill casual vacancies.

13.2 Eligibility to be a Director

An individual is eligible to be a **director** if the person:

- (a) is a **member**;
- (b) in the case of an **electd director**, has been a **member** continuously for a period of at least 3 years immediately prior to the closing of nominations for election as a **director**;
- (c) has not had a personal representative or trustee appointed to administer the person's estate or property because of their mental incapacity;
- (d) is not a minor;
- (e) is not disqualified or prevented by law from being a **director** of the **credit union**;
- (f) is fit and proper to be a **director** by reference to the **fit and proper policy** and any relevant **prudential standard**;
- (g) is not a current employee of the **credit union**, with the exception of the **credit union's** current chief executive officer; and
- (h) has not been employed by the **credit union** at any time within 3 years immediately before the date when the person is:
 - (i) nominated as a candidate for election as an **electd director**; or
 - (ii) purported to be appointed as an **appointed director**.

13.3 Appointment by Members — Election

The **members** may appoint an individual, who is eligible to be a **director** under Rule13.2, to be a **director** by an election held under the provisions of Appendix 5.

13.4 Appointment by Board

- (1) The **board** may, by resolution at any time, appoint an individual, who is eligible to be a **director** under Rule13.2 as an **appointed director**.
- (2) The **board** may, by resolution at any time, appoint the **credit union's** chief executive officer as a **director**, provided that the chief executive officer is eligible to be a **director** under Rule13.2
- (3) A **board** resolution appointing an **appointed director** or the chief executive officer as a **director** must specify the **director's** term of office.

13.5 Appointment by Board — Casual Vacancies in the number of Elected Directors

- (1) The **board** may appoint an individual, who is eligible to be a **director** under Rule13.2, to be a **director**:
 - (a) if an **elected director's** office becomes vacant other than because the **director's** term of office has ended; or
 - (b) If, for any other reason, the number of **elected directors** is less than the number of **elected directors** specified under Subrule 13.1(1)(a).
- (2) The term of office for a **director** appointed to fill a vacancy under paragraph (1)(a) ends:
 - (a) if the **general meeting** approves the appointment before the end of the next **AGM** after the **director's** appointment — at the end of the term of office of the **elected director** whose office has become vacant; and
 - (b) otherwise — at the end of the next **AGM** after the **director's** appointment.
- (3) The term of office for a **director** appointed to fill a vacancy in paragraph (1)(b) ends at the end of the next **AGM** after the **director's** appointment.

13.6 Term of Office

- (1) Subject to the **Corporations Act** and the rotation provisions in this Rule, an **elected director's** term of office:
 - (a) starts at the end of the **AGM** at which the **director's** election is announced; and
 - (b) ends at the end of the third **AGM** after the **AGM** at which the **director's** election is announced.
- (2) Subject to the **Corporations Act** and Subrule (3), the term of office of an **appointed director** or the chief executive officer as a **director** starts at the time of the **board** resolution appointing the **person** as a **director** and ends at the end of the term specified in the **board** resolution appointing the **person** as a **director**.

- (3) Subject to the **Corporations Act** the term of office of the chief executive officer as a **director** ends if and when the **person** ceases to be the chief executive officer of the **credit union**.

13.7 Automatic Vacation of Office

The office of a **director** automatically becomes vacant if the **director**:

- (a) dies;
- (b) ceases to be eligible to be a **director** under Rule 13.2;
- (c) is absent from 3 consecutive ordinary meetings of the **board** without leave; or
- (d) is 3 months or more in arrears in relation to money due to the **credit union** and has failed to make arrangements for payment satisfactory to the **credit union**.

Neither the **board** nor the **general meeting** may waive the operation of this Rule.

13.8 Resignation

- (1) A **director** may resign by giving the **credit union** notice of the **director's** resignation.
- (2) The **director's** office becomes vacant:
 - (a) if the notice of resignation specifies a date of resignation — on the date of resignation; or
 - (b) otherwise — on the date the **credit union** receives the notice of resignation.

Division 14 — Directors' Powers

14.1 Powers and Duties of the Board

The **board**:

- (a) manages the **credit union's** business; and
- (b) may exercise all the powers of the **credit union** except any powers that the **Corporations Act** or this Constitution expressly allocates to the **general meeting**.

14.2 Negotiable Instruments

The **board** may authorise a **person** or **persons** to sign, draw, accept, endorse or otherwise execute negotiable instruments for the **credit union**. The **board** may authorise the application of signatures to negotiable instruments by machine or other facsimile method.

14.3 Delegation

- (1) The **board** may delegate any of its powers to any committee or any other **person** or **persons**, subject to Rule 3.2 and Subrules 4.3(2) and 4.4(8). The **board** may permit the delegate to sub-delegate any powers delegated to them.
- (2) The **board** must establish policies for the guidance of delegates in the exercise of any powers so delegated.
- (3) Without limiting its powers, the **board** may appoint a **person** to be the **credit union's** attorney for purposes, with powers (being the **board's** powers), for the period and on terms the **board** determines. In particular, the power of attorney may:
 - (a) include terms protecting persons dealing with the attorney, as the **board** determines; and
 - (b) authorise the attorney to delegate any or all of the attorney's powers.

Division 15 — Directors' Meetings

15.1 Meetings

- (1) The **board** may meet, adjourn and otherwise regulate its meetings as it thinks fit but the **board** must meet at intervals of not longer than three months.
- (2) A meeting of the **board** may be convened:
 - (a) by the **chair**;
 - (c) by any two **directors**; or
 - (b) by the **secretary** upon the authority of the **chair** or any two **directors**.
- (3) 48 hours' notice must be given of all meetings, except where:
 - (a) the **chair** determines there are exceptional circumstances; or
 - (b) a majority of **directors** authorise the **secretary** to convene a meeting on shorter notice.
- (4) If the **board** decides, a meeting of the **board** may be conducted by radio, telephone, closed circuit television or other electronic means. A resolution passed by such a meeting is taken to have been passed at a meeting of the **board** held on the day on which and at the time at which the meeting was held at the place where the **chair** was present notwithstanding the **directors** are not present together in one place at the time of the meeting.
- (5) The provisions of this Constitution relating to the proceedings of **directors** apply so far as they are capable of application to meetings conducted pursuant to Rule 15.1(4), with any necessary changes.

15.2 Resolutions Without Actual Meetings

- (1) A document becomes a resolution of the **board** without any need for a meeting of the **board** when:
 - (a) the document sets out the terms of the resolution and states that the signatories are in favour of the resolution; and
 - (b) all **directors** who are entitled to vote on the resolution sign the document or, in the case of an electronic document, a return message in favour of the resolution is received by the **chair**.
- (2) The document can be in separate parts, all substantially identical, and signed by one or more **directors** or, in the case of an electronic document, consented to by electronic means.
- (3) The date the resolution is made is the date the document bears, or, if the document is in parts, the later or latest date a part bears.

15.3 Voting

- (1) Questions arising at a meeting of the **board** are decided by majority of votes of **directors** present and voting.
- (2) In the case of an equality of votes, the **chair** has a casting vote in addition to his or her deliberative vote.

15.4 Quorum

- (1) The quorum for a **board** meeting is:
 - (a) if there is an even number of **directors** , one half the number of **directors** plus one; or
 - (b) if there is an odd number of **directors**, a majority of the **directors**;and the quorum must be present at all times during the meeting.
- (2) If, at any time, the number of **directors** is less than the quorum:
 - (a) the **board** may meet only for the purpose of filling any casual vacancies or for calling a **general meeting of members**; and
 - (b) the **board** may conduct business by circulating resolutions under Rule 15.2.

15.5 Chair

- (1) The **directors** shall elect one of their number as chair of their meetings ('the **chair**'), may elect one other of their number as deputy chair ('the **deputy chair**'), and may determine the periods for which they are to hold office.
- (2) If neither the **chair** nor the **deputy chair** (if a **deputy chair** has been elected) is present within 30 minutes of the time appointed for a meeting or neither is willing to act, the **directors** present must elect one of their number to chair that meeting only.
- (3) Where the **chair** is not available to act as required by the Rules the **deputy chair** (if a **deputy chair** has been elected) may act in his or her place.
- (4) The **chair** and any **deputy chair** may be removed from their positions as **chair** and **deputy chair** by resolution of the majority of the **board**.

15.6 Committees of Directors

- (1) The **board** may establish one or more committees consisting of such number of **directors** as the **board** thinks fit.
- (2) The **board** may appoint one of their number as chair of a committee.
- (3) Subject to any restrictions that the **board** imposes, a committee may meet, adjourn and otherwise regulate its meetings as it thinks fit.

- (4) Questions arising at a meeting of a committee are to be determined by a majority of votes of those present and voting.
- (5) The chair does not have a casting vote in addition to his or her deliberative vote.

Division 16 — Conflicts of Interest

16.1 Director Not in Breach if Acts in Matters Relating to Director's Interests

- (1) This Rule applies if:
 - (a) a **director** has an interest or duty in relation to a matter that is not a **material personal interest**; or
 - (b) if a **director** with a **material personal interest** in relation to the **credit union's** affairs:
 - (i) complies with the requirements of the **Corporations Act** in relation to disclosure of the nature and extent of the interest and its relation to the **credit unions** affairs before acting in a matter that relates to the interest; and
 - (ii) may be present and vote on the matter under the **Corporations Act**.
- (2) The **director** is not in breach of his or her duties to the **credit union** merely because he or she acts in matters that relate to the **director's** interest.
- (3) The **director** may vote on matters that relate to the **director's** interest.
- (4) In relation to any transactions that relate to the **director's** interest:
 - (a) the transactions may proceed;
 - (b) the **credit union** cannot avoid the transactions merely because of the **director's** interest; and
 - (c) the **director** may retain benefits under the transactions despite the **director's** interest.

16.2 Director Not in Breach if Does Not Act in Matters Relating to Director's Interests

- (1) This Rule applies if a **director** with a **material personal interest** in relation to a matter:
 - (a) complies with the requirements of the **Corporations Act** in relation to disclosure of the nature and extent of the interest and its relation to the **credit unions** affairs; but
 - (b) must not be present and vote on the matter under the **Corporations Act**.
- (2) The **director** is not in breach of duty to the **credit union** merely because he or she does not act in relation to the matter.
- (3) The **board** may vote on matters that relate to the **director's** interest in the **director's** absence.
- (4) In relation to any transactions that relate to the **director's** interest:
 - (a) the transactions may proceed;
 - (b) the **credit union** cannot avoid the transactions merely because of the **director's** interest; and

- (c) the **director** may retain benefits under the transactions despite the **director's** interest.

16.3 Execution of Instruments

A **director** may participate in the execution of an instrument for the **credit union**, regardless of any interest or duty that the **director** may have:

- (a) whether or not the **director** has complied with the requirements of the **Corporations Act** in relation to disclosure of the nature and extent of the interest and its relation to the **credit unions** affairs; and
- (b) whether or not the **director** may be present and vote in relation to the execution of the instrument under the **Corporations Act**.

Division 17 — Remuneration, Indemnity and Insurance

17.1 Remuneration of Directors

- (1) In any year, the aggregate amount of remuneration of **directors** (other than an employee **director**) must not exceed the amount last fixed by ordinary resolution of the **general meeting**.
- (2) The **board** may determine the allocation of the aggregate amount of remuneration among the **directors** (excluding any employee **director**). If the **board** does not determine the allocation, the amount must be allocated equally among the **directors**.

17.2 Travelling Expenses and Insurance

In addition to any remuneration to which a **director** may be entitled, the **credit union** may also pay:

- (a) the **director's** travelling and other expenses that they properly incur:
 - (i) in attending **board** meetings or any meetings of committees of **directors**; and
 - (ii) in attending any **members'** meetings; and
 - (iii) otherwise in connection with the **credit union's** business; and
- (b) subject to the **Corporations Act**, insurance premiums for a contract that insures the **director** against liabilities that the **director** incurs as an officer of the **credit union**.

17.3 Indemnities for Officers and Former Officers

- (1) In this Rule **indemnified person** means an officer or agent, or former officer or agent, of the **credit union**.
- (2) To the extent that the **Corporations Act** permits:
 - (a) the **credit union** must indemnify an **indemnified person** against any liability that the **indemnified person** incurs in conducting the **credit union's** business or exercising the **credit union's** powers as an officer or agent of the **credit union**; and
 - (b) the **credit union** may indemnify, agree to indemnify or enter into (and pay premiums on) a contract of insurance in relation to an **indemnified person** or any other person.
- (3) The indemnity in paragraph (2)(a) applies in relation to an **indemnified person** for all incidents occurring during the period that person is an officer or agent of the **credit union**, even though a claim is made against the **indemnified person** after they have ceased to be an officer or agent of the **credit union**.

Division 18 — Administration

18.1 Seal

- (1) The **board** is to provide for the safe custody of the seal.
- (2) The seal is to be used only by the authority of the **directors**.
- (3) The **board** may authorise:
 - (a) 2 **directors**; or
 - (b) a **director** and a **secretary**,

to witness the affixing of the seal on a document of a class specified in the resolution.

18.2 Secretary

Subject to Rule 18.3, the **board** may determine a **secretary's** terms of appointment, powers, duties and remuneration. At any time, the **board** may vary or revoke a determination, or an appointment, whatever the terms of the appointment.

18.3 Resignation of Secretary

- (1) A **secretary** may resign by giving the **credit union** notice of the **secretary's** resignation.
- (2) The **secretary's** office becomes vacant:
 - (a) if the notice of resignation specifies a date of resignation — on the date of resignation; or
 - (b) otherwise — on the date the **credit union** receives the notice of resignation.

Appendix 1 — Objects

The **credit union** has the following objects:

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

Appendix 2 — Common Bond

A2-1 Common Bond — Natural Persons

A person, other than a body corporate, is eligible to be a **member** under any one of the following categories:

- (1) **Persons** who:
 - (a) are currently, or have been, employed by or in;
 - (b) are undertaking a course of study which, if completed, will qualify them to be employed by or in; or
 - (c) are current members of any union whose members are employed by or in, any private sector or public sector institution, organisation, establishment or administrative body involved in:
 - (d) education or the regulation of the education industry; or
 - (e) the energy industry.
- (2) **Persons** who are employed by:
 - (a) the **credit union**; or
 - (b) any corporation in which the **credit union** controls more than 20% of the corporation's issued ordinary capital.
- (3) Persons who are the widows or widowers of deceased **members**.
- (4) Persons nominated by a **member** and being a spouse, defacto spouse, parent, brother, sister, child or any other relative of that **member**.
- (5) A member of an employee group accepted by the **board**.
- (6) Other **persons** or groups of **person** approved by the **board**.
- (7) A **person** who is a **member** but has ceased to be eligible to be a **member** in accordance with the above categories.
- (8) A **person** who was a member of another **ADI** that transferred its business and members to the **credit union** under the *Financial Sector (Business Transfer and Group Restructure) Act 1999 (Cth)*.

A2-2 Common Bond — Body Corporate

A body corporate is eligible to be a **member** under any one of the following categories:

- (1) The **board** considers it has an affinity with the **credit union**.

- (2) It is a **member** but has ceased to be eligible to be a **member** in accordance with the above categories.
- (3) It was a member of another **ADI** that transferred its business and members to the **credit union** under the *Financial Sector (Business Transfer and Group Restructure) Act 1999* (Cth)

Appendix 3 — Member Shares

A3-1 Subscription Price

The *subscription price* for a *member share* is \$nil.

A3-2 Rights, Obligations and Restrictions Attaching to Member Shares

- (1) The following rights attach to each *member share*:
 - (a) the right to vote on the terms set out in clause A3-3;
 - (b) the right to participate in the distribution of profits or assets on a winding-up on the terms set out in clause A3-5; and
 - (c) the right to redeem the *member shares* on the terms set out in clause A3-6.
- (2) The restriction on transfer of *member shares* in clause A3-7 attaches to each *member share*.
- (3) The *credit union* may issue more *member shares* at any time. The issue of more *member shares* does not vary the rights attached to *member shares* that the *credit union* has already issued.

Note: For the holder of a *member share's* entitlement to make *deposits* with, and receive *financial accommodation* from, the *credit union*, see Rule 2.2 and Subrule 3.1(3).

A3-3 Voting Rights

- (1) Subject to subclauses A3-3(3) and (4) and clause A3-8, holders of *member shares* may participate and vote:
 - (a) at a *members'* meeting;
 - (b) at a meeting of the class of holders of *member shares*; and
 - (c) in a ballot to appoint *directors* by election.
- (2) Subject to subclauses A3-3 (3) and (4) and clause A3-8, each *member* has one vote.
- (3) A *member* who is a minor has no vote.
- (4) A *member* may exercise only one vote at a meeting or in a ballot to appoint *directors* by election even if the *member* holds more than one *member share*, provided that this rule does not :
 - (a) prevent a *member* who holds *member shares* in more than one capacity (eg an individual membership and a joint membership with another *member*) from having one vote for each membership; nor
 - (b) prevent a *member* who has been appointed as a body corporate representative or as a proxy from exercising a vote on behalf of the *member* who appointed him or her.

A3-4 No Dividend Entitlements

No dividend is payable in respect of any *member share*.

A3-5 Distribution on Winding-Up

On a winding-up of the *credit union* each *member* is entitled to participate in any surplus equally and without regard to the number of *member shares* held by each *member*.

A3-6 Redemption of Member Shares

- (1) The *credit union* may redeem a *member share* only if one or more of the following conditions are satisfied:
 - (a) the *member* has given the *credit union* notice requesting termination of the *member's* membership of the *credit union* under Rule 4.2 in which event the *member share* must be redeemed in accordance with Subrule 4.2(2);
 - (b) the *member's member share* is redeemed under Rule 4.3; or
 - (c) the *board* or its delegate has determined that the *member's deposit* accounts with the *credit union* are dormant or the *member* is inactive under Rule 4.4.
- (2) On redemption, the *credit union* must (subject to Subrule 4.3(7) and Subrule 4.4(7)) pay the *member* an amount equal to the amount paid up on the *member share*.
- (3) On redemption, the *member shares* are cancelled.
- (4) This Rule does not affect the terms on which *member shares* may be cancelled under a reduction of capital or a share buy-back under *Corporations Act* Part 2J.1.

A3-7 Transfer of Member Shares

- (1) Subject to Subclause (2), a *member* may not transfer their *member share*.
- (2) A trustee for an unincorporated association may transfer the *member share* that they hold as trustee for the unincorporated association to another person who is to act as trustee for the unincorporated association.

A3-8 Entitlement to Exercise Vote – New Members

A *member's* entitlement to vote may not be exercised if the *member* was not a *member* entitled to vote:

- (a) in relation to an election of *elected directors* – on the day before nominations for the election of *elected directors* closed; and
- (b) in relation to a general meeting – at least 7 days before notice of the general meeting was given.

Appendix 4 — Standing Orders

A4-1 Time Limits for Speakers

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

A4-2 Amendment

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

A4-3 Speakers

- (1) The mover of an original motion has a right of reply.
- (2) The mover of an amendment does not have a right of reply.
- (3) Otherwise, a *member* may speak only once on the same question except to raise a point of order or, with the consent of the chair of the meeting, to give an explanation.

A4-4 Motions to be in Writing

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

A4-5 Closure of Debate

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

Appendix 5 — Election of Directors

A5-1 Election

- (1) An election of **elected directors** is held in the manner set out in this Appendix or as it may be modified by the **board** under Rule 12.8 to allow a **direct vote**.
- (2) The following table sets out the timetable for election of **elected directors** by **members**:

Steps in Election Procedure	Time
Call for nominations (see clause A5-3(1))	Not less than 93 days before AGM
Nominations close (see clause A5-3(2))	On date stated in notice calling for nominations, not less than 63 days before AGM.
Nomination withdrawal period ends (see clause A5-3(5))	28 days after the close of nominations
Board to determine which candidates are fit and proper and to provide declaration to returning officer as to which candidates are eligible for election (see clause A5-6)	Not more than 28 days after the close of nominations
Returning officer must send ballot papers to members (see clause A5-11(1)) together with notice of the AGM	Not less than 21 days before AGM
Closure of ballot (see Clause A5-12)	7 days before AGM
Announcement of directors (see clause A5-13(3))	AGM

A5-2 Appointment of Returning Officer

- (1) The **board** must appoint a returning officer, who may appoint assistant returning officers, none of whom can be a **director** or a **candidate**.
- (2) The **secretary** must prepare and give the returning officer a list of **members** eligible to vote on the election of **elected directors** (see clause A3-8 of Appendix 3) made up to midnight on the day before the nominations for the election close.

A5-3 Nominations

- (1) The **board** must give **members** a notice calling for **members** to nominate **candidates** not less than 93 days before the AGM. The notice may be given by any of the methods allowed in Subrule 1.5 or by advertisement:

- (a) at the **credit union's** offices;
 - (b) in at least one edition of a daily newspaper circulating generally in each jurisdiction in which the **credit union** conducts its business; or
 - (c) in any newsletter or other document given to all **members** by the **credit union**.
- (2) Nominations close on the date stated in the notice calling for nominations, which must be a date not less than 63 days before the AGM and provided that nominations must remain open for a period of not less than 30 days.
- (3) Two **members** together have the right to nominate a **candidate**. To nominate a **candidate**, the two **members** must give the **credit union** a notice of nomination before nominations close. The notice of nomination must:
- (a) declare that the **candidate** is eligible to be a **director** under Rule 13.2;
 - (b) state the **candidate's** age; and
 - (c) be signed by the nominating **members** and the **candidate**.
- (4) A retiring **director** may stand for re-election without nomination (and will then be a **candidate**) but must:
- (a) be eligible to be a **director** under Rule 13.2; and
 - (b) consent to the nomination.
- (5) A **candidate** may withdraw his or her nomination by written notice to the **credit union** given up to 28 days from the close of nominations and will then no longer be a **candidate** for election.

A5-4 Rejection of Nomination

- (1) The returning officer must scrutinise nominations immediately upon receipt and reject a nomination where it appears to the returning officer that the **candidate** is not eligible to be a **director** under Rule 13.2.
- (2) Upon rejecting a nomination, the returning officer is to notify the **candidate**, the candidate's proposers and the **board**.

A5-5 Candidate Declaration

- (1) A **candidate** must give the **credit union**, before nominations close, a declaration in such form as the **board** may require from time to time (a "**candidate declaration**"):
 - (a) confirming that the **candidate** satisfies any eligibility requirements for election as a **director** that are imposed by this Constitution, the **Corporations Act**, the **Banking Act** or any other legislation;
 - (b) stating whether the **candidate**:
 - (i) has any interest in a contract, or proposed contract, with the **credit union**; or

- (ii) holds an office or has an interest in property whereby, whether directly or indirectly, duties or interests may be created that could conflict with a **director's** duties or interests as a **director** of the **credit union**;

and giving particulars of any such interest or office; and

- (c) attaching or containing such other information and consents as may be reasonably required by the **board** in order to determine whether the **candidate** is eligible to be a director under Rule 13.2 .
- (2) A **candidate** must forthwith give written notice to the **credit union** if there is any material change to the information provided in the information provided under clause A5-5(1) up to 28 days after the close of nominations.
 - (3) When nominations close the **credit union** must advise the returning officer of the name of any **candidate** who has not provided a **candidate declaration**, and the returning officer must then reject that **candidate's** nomination and notify the **candidate**, the **candidate's** proposers and the **board**, and the **candidate** will thereupon cease to be eligible for election as a **director**.

A5-6 Assessment of candidates by the board

- (1) Within 28 days of the close of nominations the **board** must determine, in relation to each **candidate**, whether it is satisfied that the **candidate** is fit and proper to be a **director** by reference to the **fit and proper policy** and any relevant **prudential standard**.
- (2) In making its determinations under this clause A5-6 the **board** will follow the procedures set forth in the **fit and proper policy**.
- (3) The **board** may, in its absolute discretion and for such periods as it may determine, establish a panel, to be known as the **Nominations Panel**, to assist it in making its determinations under this clause A5-6. The membership, role and operations of the **Nominations Panel** will be as set forth in the **fit and proper policy**.
- (4) Upon completing its determinations in relation to all **candidates**, and not more than 28 days after the close of nominations, the **board** must provide the returning officer with a declaration as to:
 - (a) those **candidates** (if any) it is satisfied are fit and proper to be a **director**, and those **candidates** will remain eligible for election or re-election (as the case may be) as a **director**; and
 - (b) those **candidates** (if any) it is not satisfied are fit and proper to be a **director**, and those **candidates** will thereupon cease to be eligible for election or re-election (as the case may be) as a **director** and the returning officer must reject those **candidates'** nominations and notify those **candidates** and their proposers (if any).

A5-7 Proceeding with Election if the number of candidates is equal to or less than the number of positions to be filled

If, after the returning officer has received the declaration of the **board** made under clause A5-6(4), the number of **candidates** who are eligible for election as a **director** is equal to or less than the number of positions to be filled:

- (a) the election process set out in clauses A5-9 to A5-15 of this Appendix does not apply; and
- (b) the **credit union** must give each **member** a notice (which may be given by any of the methods allowed by clause A5-3(1)) that:
 - (i) states an election by postal ballot will not be necessary; and
 - (ii) sets out the name of each **candidate**; and
 - (iii) states each **candidate** will be appointed as an **elected director** by announcement at the **AGM**; and
- (c) the **secretary** must announce the appointment of each **candidate** as an **elected director** at the next **AGM**; and
- (d) on the announcement by the **secretary**, each **candidate** is deemed to be duly appointed as an **elected director** whose term of office starts in accordance with Rule 13.6(1).

A5-8 Proceeding with Election if the number of candidates is more than the number of positions to be filled

If, after the returning officer has received the declaration of the **board** made under subclause A5-6(4), the number of **candidates** who are eligible for election as a **director** is more than the number of positions to be filled, the election process set out in clauses A5-9 to A5-15 of this Appendix will apply.

A5-9 Appointment of Scrutineer

- (1) The **board** may appoint a maximum of three scrutineers, none of whom is a **candidate**.
- (2) A **candidate** may appoint a scrutineer
- (3) The duties and responsibilities of scrutineers are:
 - (a) to observe the sorting, counting and recording of ballot papers;
 - (b) to ensure that the votes of unrejected ballot papers are correctly credited to the appropriate **candidates**; and
 - (c) to raise any query with the returning officer regarding any of the ballot papers.

A5-10 Ballot Papers

- (1) After nominations have closed, the returning officer must prepare ballot papers for the election.
- (2) The order in which the **candidates** appear on the ballot paper is to be determined by the returning officer by lot.
- (3) The ballot paper will identify **candidates** who are current **directors** standing for re-election.
- (4) The returning officer must ensure some authenticating mark appears on each ballot paper before sending them to the **members**.

A5-11 Postal Vote

- (1) The returning officer must send to each **member** on the list referred to in clause A5-2(2), at least 21 days before the AGM:
- (a) a ballot paper;
 - (b) an unsealed envelope, marked 'Ballot Paper', in which the **member** must enclose their completed ballot paper. The reverse side of this envelope must bear the following on a detachable flap:

<p>.....</p> <p><i>Name of member</i></p> <p>.....</p> <p><i>Membership number</i></p> <p>.....</p> <p><i>Signature of member or corporate member's representative</i></p>
--

- (c) An unsealed envelope marked 'Returning Officer' addressed to the returning officer; and
 - (d) Any **candidate reports** produced.
- (2) The returning officer must send ballot papers by prepaid post and addressed to each **member** at the address shown in the Register of Members for the purposes of giving notices.
- (3) A **member** exercising a right to vote must:
- (a) first complete the ballot paper in accordance with this Constitution;
 - (b) secondly, place the ballot paper in the envelope marked 'Ballot Paper', seal the envelope and complete the information required on the detachable flap attached to the envelope; and
 - (c) thirdly, place the sealed 'Ballot Paper' envelope in the envelope addressed to the returning officer and return it by post to the returning officer.
- (4) A **member** must ensure that the returning officer receives the **member's** ballot papers by 5.00pm on the day fixed for the closing of the ballot.
- (5) Any ballot paper that the returning officer receives after the ballot closes is informal.
- (6) A **member** who does not receive the **member's** ballot paper or who spoils it must give the returning officer a declaration to that effect. The returning officer must then:
- (a) send a duplicate ballot paper to that **member**;
 - (b) mark the envelope marked 'Returning Officer' 'Duplicate'; and

- (c) keep a record of all duplicate ballot papers issued.

A5-12 Closure of the Ballot

The ballot closes 7 days before the AGM.

A5-13 Procedures After Close of the Ballot

- (1) As soon as practicable after the ballot closes, the returning officer must ensure that the ballots are dealt with as follows:
 - (a) open all envelopes and extract the envelopes marked 'Ballot Paper';
 - (b) for each envelope marked 'Ballot Paper' , mark the **member's** name off the list of **members** referred to in clause A5-2(2);
 - (c) if a duplicate ballot paper has been sent to a **member** and the original 'Ballot Paper' envelope has been received — mark the original 'Ballot Paper' envelope 'rejected';
 - (d) if the **member** or the **member's** corporate representative has not signed the envelope marked 'Ballot Paper' , or there is insufficient detail to identify the **member** — mark the 'Ballot Paper' envelope 'rejected';
 - (e) remove the detachable flap containing the **member** information from the envelope marked 'Ballot Paper' and securely dispose of the detachable flaps so that no ballot paper can be identified with any particular **member**. When all the envelopes marked 'Ballot Paper' have been so dealt with, open all the envelopes marked 'Ballot Paper' and take out the ballot papers;
 - (f) supervise the scrutinising of the ballot papers and reject informal ballot papers;
 - (g) count the votes;
 - (h) sign a declaration of the ballot as to the:
 - (i) names of the **candidates** appointed as **directors**;
 - (ii) votes cast for each **candidate**; and
 - (iii) number of votes rejected as informal; and
 - (I) deliver the declaration to the **secretary**.
- (2) A ballot paper is informal if it:
 - (a) is not authenticated by the returning officer;
 - (b) has no vote indicated on it;
 - (c) does not indicate the **member's** preference for a **candidate** or **candidates**; or
 - (d) has a greater number of votes indicated on it than the number of vacancies to be filled.
- (3) The **secretary** must announce the results of the ballot at the next AGM.

- (4) If a **member** gives the **credit union** a written request, the **credit union** must make available to any **member** a copy of the returning officer's declaration of the ballot.
- (5) The returning officer must destroy the ballot papers three months after the declaration of the ballot.

A5-14 Voting System

- (1) The method of voting and the counting of votes shall be in accordance with the first past the post system where if only one **candidate** is to be elected the **candidate** elected shall be the **candidate** with the highest number of valid votes irrespective of whether that number is a majority or not and where if two or more **candidates** are to be elected the **candidates** to be elected are those with the highest number of valid votes.
- (2) If two or more **candidates** have the same number of votes, the **candidate** appointed as a **director** is determined by lot.

A5-15 Irregularity in the Conduct of an Election

- (1) The **candidates** that the returning officer declares to have been appointed are appointed unless the **secretary** receives an objection to the ballot within 7 days of the AGM.
- (2) If the **board** is of the opinion that the objection is reasonable, it may resolve to declare the returning officer's declaration void.
- (3) The returning officer must then conduct a further scrutiny in accordance with the Constitution the results of which prevail unless the **board** resolves to call a new poll by a unanimous resolution of all **directors** other than those appointed as a result of the ballot to which the objection relates.

Appendix 6 — Consideration of Demutualisation Resolutions

A6-1 Interpretation

In this Appendix, unless the contrary intention appears:

'Additional Costs' means all costs reasonably incurred by the *credit union* in complying with its obligations under clauses A6-4 and A6-5(1)(b) of this Appendix.

'Additional Information' means:

- (a) an explanation as to how the Demutualisation Resolution will affect *member* rights as a holder of *member shares* and as a customer of the *credit union*;
- (b) an explanation as to the effect of the Demutualisation Resolution on the *credit union* and *members* with respect to:
 - (i) the rights of *members* to vote and to participate in the distribution of profits and reserves of the *credit union* and the loss of any such rights; and
 - (ii) the effect on the business, operations, employees, products, services, pricing and distribution network of the *credit union*;
- (c) an explanation of the mutuality benefits to *members* that will be lost if the Demutualisation Resolution is passed; and
- (d) an explanation of the availability and effect of other alternatives to the Demutualisation Resolution.

'Ballot Closing Date' means the date upon which a Direct Ballot closes, being a date fixed by the Returning Officer under clause A6-4(6) and specified in the notice referred to in clause A6-4(7)(e).

'Demutualisation Resolution' means a proposed resolution, or combination of proposed resolutions:

- (a) which, if passed, will or may result in:
 - (i) the *credit union* ceasing to be a Mutual Banking Institution;
 - (ii) a voluntary transfer of the *credit union's* business, pursuant to the *Financial Sector (Transfer and Restructure) Act 1999 (Cth)*, to an Entity that is not a Mutual Banking Institution;
 - (iii) *member shares* becoming transferable or capable of sale or assignment otherwise than pursuant to Rule A3-7(2);
 - (iv) a *member* becoming entitled to hold more than one *member share*, unless Rule 5.3(4)(a) and (b) apply; or

- (v) a right to vote attaching to any share other than a **member share**;
- (b) in relation to which the consent of the Treasurer is required pursuant to either section 63 of the *Banking Act 1959* or section 11 of the *Financial Sector (Shareholdings) Act 1998* (Cth), unless the consent is required for the purposes of a voluntary transfer of the **credit union's** business, pursuant to the *Financial Sector (Transfer and Restructure) Act 1999* (Cth), to an Entity that is a Mutual Banking Institution;
- (c) the effect of which would be to modify or repeal any clause in this Appendix, unless the only effect would be to modify clause A6-7 in such a way that the date upon which this Appendix will cease to have effect pursuant to that clause is postponed; or
- (d) the effect of which would be to modify or repeal this Constitution where the effect of the modification or repeal is to modify, exclude or restrict the operation of the clauses in this Appendix, unless the only effect would be to modify this Constitution in such a way that the date upon which this Appendix will cease to have effect pursuant to clause A6-7 is postponed.

'Direct Ballot' means a ballot of Qualifying Members in respect of a Demutualisation Resolution that is conducted in accordance with Clause A6-4 of this Appendix.

'Directors' Statement' means a statement by the **directors** containing:

- (a) the recommendation of each **director** as to whether the Demutualisation Resolution should be passed and their reasons for making that recommendation; and
- (b) details of any benefit to be received by the **directors** if the Demutualisation Resolution is passed.

'Entity' includes any:

- (a) incorporated or unincorporated bodies;
- (b) trust or partnership; or
- (c) any legal, administrative or fiduciary arrangement, organisational structure or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

'Information' means:

- (a) a disclosure statement that:
 - (i) contains all the information that **members** would reasonably require and expect to be given to make an informed decision about the Demutualisation Resolution, including but not limited to the Additional Information;
 - (ii) states that the Demutualisation Resolution may alter the **credit union's** mutual structure and outlines the intentions of the **member** or Entity seeking to convene or convening a meeting of the **credit union**:
 - (l) in relation to the future of the **credit union** if the Demutualisation Resolution is passed;

- (II) in relation to **members'** interests if the Demutualisation Resolution is passed;
 - (III) in relation to the **directors** if the Demutualisation Resolution is passed; and
- (iii) explains the effect the passing of the Demutualisation Resolution is likely to have on the business, operations, employees, products, services, pricing and distribution network of the **credit union**;
- (b) an estimate of the financial benefits (if any) the **members**, the **directors** and/or other officers of the **credit union** will be offered if the Demutualisation Resolution is passed; and
- (c) a report by an expert that:
 - (i) states whether, in the expert's opinion:
 - (I) the Demutualisation Resolution is in the best interests of the **members** of the **credit union** as a whole; and
 - (II) the Demutualisation Resolution is fair and reasonable to **members** having regard to any change of voting rights and the right to participate in profits and reserves;
 - (ii) sets out the expert's opinions in relation to the Additional Information;
 - (iii) gives the expert's reasons for forming those opinions;
 - (iv) complies with the requirements of clause 33 of Appendix 4 of the *Corporations Act*; and
 - (v) contains any additional information required to be provided under the *Corporations Act*.

'Mutual Banking Institution' means an authorised deposit-taking institution under the *Banking Act 1959* (Cth) that meets the requirements of Regulatory Guide 147 "Mutuality – Financial Institutions" issued by the Australian Securities and Investments Commission and is, or was at any time, entitled to use the term "credit union", "credit society", "credit co-operative" or "building society" in its name.

'Qualifying Member' means a **member**:

- (a) who has been admitted to membership of the **credit union** under this Constitution on the date that this Appendix takes effect under the *Corporations Act*; or
- (b) who is admitted to membership of the **credit union** under this Constitution after the date on which this Appendix takes effect under the *Corporations Act* and who has been a member for not less than one year.

'Requisitionists' means the **members** who request the convening of a general meeting that is convened by the **directors** at the request of **members** made under section 249D of the *Corporations Act* or who call the meeting in accordance with sections 249E or 249F of the *Corporations Act*.

'**Returning Officer**' means a person appointed by the Directors as a Returning Officer under clause A6-4(1) of this Appendix.

'**Special Resolution**' means a resolution:

- (a) in relation to which notice as set out in paragraph 249L(1)(c) of the *Corporations Act* has been given; and
- (b) that has been passed by at least 75% of the votes cast by **members** entitled to vote on the resolution.

A6-2 Application of Appendix 6

Notwithstanding any provision contained in this Constitution to the contrary, this Appendix will apply if a meeting of the **credit union** is convened, or is to be convened, at which a Demutualisation Resolution will be considered.

A6-3 Requirement for General Meeting and Direct Ballot

If a meeting of the **credit union** is convened, or is to be convened, at which a Demutualisation Resolution will be considered:

- (a) The general meeting must be convened and conducted in accordance with this Constitution to consider the Demutualisation Resolution as a Special Resolution;
- (b) The information required by clause A6-5 of this Appendix must be provided to **members** in convening the general meeting to consider the Demutualisation Resolution;
- (c) The Demutualisation Resolution may not be moved at the general meeting, or passed at the general meeting, if the Demutualisation Resolution, or a substantially similar Demutualisation Resolution, was moved at a general meeting held within the 3 years prior to the general meeting and:
 - (i) not passed; or
 - (ii) passed but its adoption was not subsequently approved by a Direct Ballot;
- (d) The Demutualisation Resolution shall only be passed at the general meeting if at least 75% of the votes cast by **members** entitled to vote on the Demutualisation Resolution approve the Demutualisation Resolution; and
- (e) The Demutualisation Resolution, if passed at the general meeting, shall not have any effect unless and until:
 - (i) a Direct Ballot is held within 4 months of the date of the general meeting to consider whether the adoption of the Demutualisation Resolution should be approved;
 - (ii) by the Ballot Closing Date the **credit union** has received votes from at least 25% of Qualifying Members; and
 - (iii) of the votes received from Qualifying Members by the Ballot Closing Date, at least 75% of the votes are in favour of approving the adoption of the Demutualisation Resolution.

A6-4. Conduct of Direct Ballot

- (1) Within 7 days of a Demutualisation Resolution being passed at a general meeting the **directors** must appoint a Returning Officer, who must not be a **director** or officer of the **credit union**, and who must then conduct a Direct Ballot in accordance with this Clause A6-4.
- (2) The Returning Officer must prepare a roll of the full names and addresses of the **members** of the **credit union**, as disclosed by the register of **members** as at midnight on the day before the general meeting referred to in Clause A6-3(a), who are Qualifying Members.
- (3) Only **members** who are Qualifying Members as at midnight on the day before the general meeting referred to in Clause A6-3(a) are entitled to vote in the Direct Ballot.
- (4) The Returning Officer must cause ballot papers to be prepared for the Direct Ballot.
- (5) Each ballot paper must be initialled or marked by the Returning Officer or an appointed assistant.
- (6) The Returning Officer must fix a Ballot Closing Date, which must be a date not more than 4 months after the date of the general meeting at which the Demutualisation Resolution was passed.
- (7) The Returning Officer must, at least 30 days prior to the Ballot Closing Date, send by post or otherwise deliver to every Qualifying Member one set of the following material:
 - (a) one ballot paper;
 - (b) an envelope (in this Appendix referred to as the outer envelope) addressed to the Returning Officer;
 - (c) a smaller envelope (in this Appendix referred to as the middle envelope), the reverse side of which contains provision for the name, membership number and signature of the Qualifying Member;
 - (d) a small envelope marked "Ballot Paper"(in this Appendix referred to as the inner envelope) into which the ballot paper is to be enclosed;
 - (e) a notice which sets out:
 - (i) details of the Demutualisation Resolution upon which the decision of the Qualifying Members is to be sought;
 - (ii) details of the number of **members** who were eligible to vote at the general meeting at which the Demutualisation Resolution was passed and of the number of those **members** who voted;
 - (iii) the Ballot Closing Date;
 - (iv) instructions for voting;
 - (v) such further information, if any, as the **directors** consider appropriate; and
 - (f) the Information supplied to the **credit union** and the Directors Statement.

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- (8) the Returning Officer may send a duplicate ballot paper to any Qualifying Member if the Returning Officer is satisfied:
- (a) that the Qualifying Member has not received a ballot paper; or
 - (b) that the ballot paper received by the Qualifying Member has been lost, spoilt or destroyed and the Qualifying Member has not already voted.
- (9) A Qualifying Member casts a vote in the Direct Ballot by:
- (a) firstly, completing the ballot paper according to the instructions on the ballot paper;
 - (b) secondly, placing the completed ballot paper in the inner envelope;
 - (c) thirdly, completing the details on the reverse side of the middle envelope and signing the middle envelope;
 - (d) fourthly, placing the middle envelope in the outer envelope; and
 - (e) fifthly, sending the outer envelope to the Returning Officer so that it is received by noon on the Ballot Closing Date.
- (10) The Returning Officer must:
- (a) provide a ballot box or boxes which must be locked immediately before the ballot papers are delivered to Qualifying Members in accordance with Clause A6-4(7) and must remain locked until noon on the Ballot Closing Date; and
 - (b) place all outer envelopes received from Qualifying Members in the ballot box or boxes as they are received.
- (11) The counting of votes received by Direct Ballot shall be supervised by the Returning Officer.
- (12) The Returning Officer may be assisted in the performance of his or her duties by any person (who would be eligible to be a Returning Officer) appointed by the Returning Officer.
- (13) Ballot papers received after noon on the Ballot Closing Date are informal and must not be taken into account in the Direct Ballot.
- (14) As soon as practicable after noon on the Ballot Closing Date, the Returning Officer must, in the presence of such scrutineers as may be appointed by the **directors**, open the ballot box or boxes and deal with the contents in accordance with clause A6-4(15).
- (15) The Returning Officer must:
- (a) remove the middle envelope from the outer envelope;
 - (b) if a duplicate outer envelope has been issued and the original outer envelope is received, reject the original envelope and mark it "Rejected";
 - (c) according to the information on the middle envelope, for each set of voting papers returned, mark the Qualifying Member's name on the roll;

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- (d) if a Qualifying Member's name has already been marked on the role, reject the vote and mark it "Rejected";
 - (e) if the middle envelope has not been signed, or if the details shown on the envelope are not sufficient to disclose by whom the vote is being exercised, reject the envelope and mark it "Rejected";
 - (f) extract the inner envelopes containing the ballot papers from all un-rejected middle envelopes, separating the contents from the middle envelopes in such a way that no inner envelope could subsequently be identified with any particular Qualifying Member; and
 - (g) when all the middle envelopes have been dealt with in the above manner, open all un-rejected inner envelopes and take the ballot papers from them.
- (16) The ballot papers must be scrutinised by the Returning Officer who must reject as informal any ballot paper that:
- (a) is not duly initialled or marked by the Returning Officer;
 - (b) is so imperfectly completed that the intention of the Qualifying Member cannot be ascertained by the Returning Officer;
 - (c) has any mark or writing not authorised by this Appendix which, in the opinion of a Returning Officer, will enable the Qualifying Member to be identified; or
 - (d) has not been completed as prescribed on the ballot paper itself.
- (17) No meeting of **members** is required to be held for the counting of the votes received by the **credit union** by Direct Ballot.
- (18) The Returning Officer must count all votes cast and make out and sign a statement of:
- (a) the number of formal votes in favour of approving the adoption of the Demutualisation Resolution;
 - (b) the number of formal votes against approving the adoption of the Demutualisation Resolution;
 - (c) the number of informal votes;
 - (d) the number of middle envelopes marked "Rejected"; and
 - (e) the proportion of the formal votes that were in favour of approving the adoption of the Demutualisation Resolution.
- (19) The Returning Officer must forward a copy of the statement to the Chair of the **credit union**.
- (20) Following the counting of votes in the Direct Ballot the **credit union** will:
- (a) display the result at its registered office and on the **credit union's** website;
 - (b) notify **members** of the result of the Direct Ballot within 21 days; and

- (c) retain the Direct Ballot votes in the possession of the **credit union** for a period of 3 months, at the end of which period they will be destroyed.

A6-5. Disclosure Requirements

- (1) If a meeting of the **credit union** at which a Demutualisation Resolution will be considered is convened or is to be convened at the request of **members** made under section 249D of the *Corporations Act*:
 - (a) the **member** or **members** requesting the convening of the meeting shall at the time of requesting the convening of the meeting provide the Information to the **credit union**; and
 - (b) the **credit union** shall at the time of convening the meeting provide the **members** with:
 - (i) notice of the Demutualisation Resolution and of the intention to consider the Demutualisation Resolution as a special resolution in accordance with section 249L(1)(c) of the *Corporations Act*;
 - (ii) the Information supplied to the **credit union**;
 - (iii) the Directors' Statement; and
 - (iv) such further information, if any, as the **directors** consider appropriate.
- (2) If a meeting of the **credit union** at which a Demutualisation Resolution will be considered is convened or is to be convened or by **members** in accordance with sections 249E or 249F of the *Corporations Act*, the **member** or **members** requesting the convening of the meeting shall at the time of convening the meeting provide the Information to the **members**.

A6-6. Costs

If a meeting of the **credit union** at which a Demutualisation Resolution will be considered is convened by the **directors** at the request of **members** made under section 249D of the *Corporations Act* or by **members** in accordance with sections 249E or 249F of the *Corporations Act*, then the Requisitionists will:

- (a) provide to the **credit union**, at the time of making the request or convening the meeting, an indemnity in respect of the liability that the Requisitionists may incur to the **credit union** for the Additional Costs in a form satisfactory to the **directors**; and
- (b) if the Demutualisation Resolution is not passed at a general meeting, or if the Demutualisation Resolution is passed at a general meeting but its adoption is not approved by a Direct Ballot, be jointly and severally liable to the **credit union** for the Additional Costs and will pay the Additional Costs to the **credit union** within 7 days of the **credit union** making a written demand for payment.

A6-7. Termination of this Appendix

This Appendix will cease to have effect at the end of the first AGM of the **credit union** held after 1 July 2020.