



SGE CREDIT UNION LIMITED

ACN 087 650 637

Constitution

Updated:
~~October 2003~~
~~September 2004~~
~~June 2005~~

November 2008

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Preamble

The *credit union* is a public company limited by shares organised on the basis of the following Principles of Mutuality:

Principles of Mutuality

Membership and Member Shares

How to become a member

1. A person can only become a member by subscribing for a member share.

How many member shares a credit union may issue a person

2. Subject to the exception in Principle 3, a credit union may only issue one member share to any person.
3. A trustee for an unincorporated association may be issued 1 member share in the trustee's own right, and 1 member share as trustee for the unincorporated association.

Consideration paid for membership shares

4. A credit union may issue member shares as wholly paid or partly paid.
5. A credit union may only issue a member share to a person in return for valuable consideration.
6. The person must provide consideration in cash or, in relation to partly paid member shares, partly or wholly in the form of an obligation to pay cash.

Voting

7. A member share must confer the right to 1 vote, and only 1 vote, at meetings of the credit union's members.

Dividends and Surplus

8. A member share may confer a right to participate in the credit union's profits through payment of dividends.
9. A member share must confer a right to participate in surplus when the credit union is wound up.
10. Any participation in profit or surplus must be on equitable terms.

Redemption and Transfer

11. A member share must confer on the member a right to redeem the member share on request, subject only to:
 - (a) compliance with prudential standards or prudential regulations; and
 - (b) any period of notice set out in the credit union's constitution.
12. Subject to the exceptions in Principle 13, member shares may not be transferred.
13. A trustee for an unincorporated association may transfer the member share that the trustee holds on trust for the unincorporated association.

Additional Shares***Definition***

17. All shares issued by a credit union other than member shares are additional shares.

Issue of additional shares only to members***Voting***

18. Subject to the exceptions in Principle 19, an additional share must not confer the right to vote.
19. Additional shares may confer the right to vote, at meetings of the holders of additional shares, on questions affecting the continuing existence of the credit union.

Dividends and Surplus

20. An additional share may confer the right to participate in the credit union's profits through payment of dividends.
21. An additional share may confer a right to participate in surplus when the credit union is wound up but only to the extent of:
 - (a) repayment of capital paid on the additional shares; and
 - (b) payment of arrears of cumulative dividends.
22. The right to participate in profits and surplus conferred by additional shares may be preferred, equal or deferred to the rights conferred by the member shares.

Redemption and Transfer

23. An additional share may confer on the holder of the additional share a right to redeem, or transfer the additional share.

Accumulation of Securities

24. Accumulation of securities issued by a credit union must be restricted so that no person, or group of associated persons, may exercise a significant degree of influence over the affairs of the credit union.

Directors

25. Only a member of a credit union may be a director of the credit union.

These Principles of Mutuality are not binding, except to the extent that the Constitution expressly provides otherwise.

Constitution

Division 1. — Introductory Matters

1.1 Definitions

In this Constitution, unless the context requires otherwise:

ADI means a body corporate that *APRA* has authorised to conduct banking business in Australia under the *Banking Act 1959* (Cth)

APRA means the Australian Prudential Regulation Authority

board means the board of *directors*

credit union means the company described in this Constitution

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

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

appointed director means a *director* appointed by the *board* under Rule 12.4 or Rule 12.4A

elected director means a *director*:

- (a) appointed by the *members* under Rule 12.3; or
- (b) appointed by the *board* to fill a casual vacancy under Rule 12.5

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

general meeting means a general meeting of the *members*

Governance and Nominations Committee means the committee appointed by the **board** in accordance with **Appendix 5**.

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

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 Law*, or 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)

member share means a share as described in Appendix 2 Division 1

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 payable by a person on subscription for a **member share**

tier 1 share means a share as described in Appendix 3 Division 2

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 Law* 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; and
 - (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.

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 Law* do not apply.

1.5 Notices

- (1) This Rule applies to all notices and documents that the *Corporations Law* or this Constitution requires a party to this Constitution to send 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 sending 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 on the Register of Members from time-to-time.
- (4) A person may send a notice or other document to another person in any of the ways set out in column 2 of the table. The other person receives the notice at the time set out in column 3:

	<i>Delivery Method</i>	<i>Time Person Receives Notice</i>
1	Hand delivering the notice personally	The other person receives the notice: <ol style="list-style-type: none"> (i) if hand delivered before 4:00pm on a <i>business day</i> — on that <i>business day</i> (ii) if hand delivered after 4:00pm on a <i>business day</i> — on the next <i>business day</i> (iii) if hand delivered on a day other than a <i>business day</i> — on the next <i>business day</i>
2	Sending the notice by pre-paid post	The other person receives the notice on the third <i>business day</i> after posting unless it is actually delivered earlier
3	Sending the notice by facsimile transmission	The other person receives the notice: <ol style="list-style-type: none"> (i) if sent before 5:00pm on a <i>business day</i> — on that <i>business day</i> (ii) if sent after 5:00pm on a <i>business day</i> — on the next <i>business day</i> (iii) if sent on a day other than a <i>business day</i> — on the next <i>business</i>

		<p><i>day</i></p> <p>This rule does not apply where the person sending the facsimile has evidence that the transmission was unsuccessful</p>
4	Sending the notice by electronic means	<p>The other person receives the notice:</p> <p>(i) if sent before 5:00pm on a <i>business day</i> — on that <i>business day</i></p> <p>(ii) if sent after 5:00pm on a <i>business day</i> — on the next <i>business day</i></p> <p>(iii) if sent on a day other than a <i>business day</i> — on the next <i>business day</i></p> <p>This rule does not apply where the person sending the notice by electronic means has evidence that the notice did not reach the other person's electronic address</p>

- (5) If a person sends 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 sent the *member* the notice.

Division 2. — Objects & Limit on Powers

2.1 Objects

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

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) the person applies for a *member share*;
 - (c) if the person pays in cash the *subscription price* for the *member share*; and
- (2) The *board* has an absolute discretion in exercising the *credit union's* power to admit *members* 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 Law*, 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* to officers of the *credit union*.

3.3 Joint Members

- (1) The *credit union* may admit 2 or more persons eligible for admission under Sub-rule 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 send any notice, certificate or other document to the joint *member* by sending 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 Members 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*.

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 9.19.2; 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 9.19.3;
- (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 Sub-rule (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 Board

- (1) The *credit union* may redeem a *member's member share* by *board* resolution if:
 - (a) the *member* fails to discharge the *member's* obligations to the *credit union*;
 - (b) the *member* is guilty of conduct that the *board* reasonably considers to be detrimental to the *credit union*; or
 - (c) the *member* obtains membership by misrepresentation or mistake.
- (2) The *credit union* must give notice of the proposed resolution under Sub-rule (1) to the *member* at least 14 days before considering the proposed resolution.
- (3) At the time the *board* considers the proposed resolution, 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.
- (4) On redeeming the *member share*, the *credit union* may 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; or
 - (b) crediting any of the *member's* accounts with the *credit union*,at the time the *member share* is redeemed.

4.4 Termination Where Accounts Dormant

- (1) This Rule does not apply to a retirement savings account to the extent that the *Retirement Savings Account Act 1997* (Cth) provides otherwise.
- (2) The *credit union* may:
 - (a) determine that the *member's deposit* accounts are dormant; and
 - (b) redeem the *member's member share*,by board resolution if the *member* has not initiated any transactions in relation to any *deposit* account in the 12 month period before the date of the resolution.
- (3) The *credit union* must send notice of the proposed resolution under Subrule (2) to the *member* at the *member's* last known address as shown on the Register of Members at least 28 days before considering the proposed resolution.
- (4) On redemption of the *member share*, the *credit union* must pay the amount payable on redemption of the *member share* into the *member's* account.
- (5) If the *credit union* redeems a person's *member share* under this Rule, the person may require the *credit union* to reinstate the person's *deposit* accounts 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* accounts:
 - (a) the *credit union* must reinstate the person's *deposit* accounts 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 amount.

Division 5. — Issue of Shares

5.1 Classes of Shares

The *credit union* may only issue:

- (a) member shares; and
- (b) tier 1 shares

5.2 Board Power to Issue Shares

The *board* may exercise the *credit union's* power to issue shares to the exclusion of the *general meeting*.

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).

(3) The *credit union* may only issue *member shares* to persons on the basis that the person pays the full *subscription price* in cash on issue.

(4) 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.

Division 6. — Dividends

6.1 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.

6.2 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).
- (c) in the method of determining who is entitled to receive a payment.

6.3 Interest on Dividends

Interest is not payable on a dividend.

Division 7. — Share Certificates

7.1 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 8. — Transfer of Shares

8.1 Form of Share Transfer

A *member* wishing to transfer the *member's* share 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

8.2 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.

8.3 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 8.1; 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.

8.4 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.

8.5 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 9. — Transmission of Shares

9.1 Transmissions of Shares on Death

- (1) 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 shares.
- (2) If the personal representative 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 may elect to:
 - (a) be registered as the holder of the shares; or
 - (b) apply to terminate the membership.

9.2 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.

9.3 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 10. — Holding Members' Meetings

10.1 Calling Meetings of Members

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

10.2 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.
- (3) The only business that an adjourned *members'* meeting may deal with is business unfinished at the *members'* meeting that was adjourned.

10.3 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,
- (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) — the deputy chair of meetings of the *board*.

If the chair or 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 3 apply to the conduct of debate at *member's* meetings.

Division 11. — Voting at Members' Meetings

11.1 Voting

- (1) A resolution put to the vote at a *members'* meeting must be decided on a show of hands unless a poll is demanded.
- (2) Before a *members'* meeting votes on a resolution, the chair must inform the meeting:
 - (a) how many proxy documents the *credit union* has received that validly appoint a person present at the meeting as proxy;
 - (b) how many of these proxy documents direct the proxies how to vote on the resolution; and
 - (c) how the proxies are directed to vote on the resolution.
- (3) The *members'* 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.

11.2 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.

11.3 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.

11.4 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 Law*, the representative may exercise the *member's* right to vote in a ballot to appoint *directors* by election.

11.5 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
 - (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) If a *member* appoints the chair as the *member's* proxy and directs the chair to vote either in favour of or against the resolution, the chair must demand a poll on the resolution.
- (5) 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; or
 - (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.

11.6 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.

Division 12. — Directors — Appointment & Vacation of Office

12.1 Number of Directors

The *board* may determine the number of *directors* from time-to-time subject to the following limits:

- (a) maximum of 7 elected directors;
- (b) a maximum of 5 appointed directors; and
- (c) the majority of directors must be elected directors.

12.2 Eligibility to be a Director

- (1) An individual is eligible to be a *director* if the person:
 - (a) is a *member*; and
 - (b) has not had a personal representative or trustee appointed to administer the person's estate or property because of their mental incapacity.
- (2) A person is not eligible to be appointed as an *elected director* by *members* under Rule 12.3 if the *Governance and Nomination Committee* determines that the person does not have the appropriate fitness and propriety to be a *director*, by reference to the board's Fit and Proper Policy.

12.3 Appointment by Members — Election

- (1) The *members* may appoint a person to be an *elected director* by election held under the provisions of Appendix 4

12.4 Appointment by Board – Managing Director

- (1) The *board may*, by resolution at any time, appoint the person holding the position of Chief Executive Officer of the *credit union* as a *managing director*.
- (2) Subject to the Corporations Act, the term of office of a *managing director* starts at the time of the *board* resolution appointing the person as *managing director* and ends at the time when the *managing director* ceases to hold the position of Chief Executive Officer.

12.4A Appointed Directors

- (1) The *board* may, at any time, appoint a person, including the Chief Executive Officer, as an *appointed director* of the *credit union*.
- (2) The term of appointment for other than the Chief Executive Officer must not exceed four (4) years.
- (3) The *board* need not fill any vacancy in the office of *appointed director*.

12.5 Appointment by Board — Casual Vacancies

- (1) The **board** may appoint a person to be an **elected director**:
- (a) if an **elected director's** office becomes vacant other than because the **elected director's** term of office has ended; or
 - (b) if, for any other reason, the number of **elected directors** is less than the maximum under paragraph (a) of Rule 12.1.

The **board** may only appoint a person who is eligible to be a **director** under Rule 12.2(1)

- (2) The term of office for a **director** appointed to fill a vacancy in 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.

12.6 Term of Office

- (1) Subject to the **Corporations Law** 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 fourth AGM after the AGM at which the **director's** election is announced.
- (2) If the number of **directors** that **members** appoint is more than a fourth of the maximum number of **elected directors** on the **board** in Rule 12.1:
- (a) the term of office for the quarter of the **elected directors** that receives the most votes at the election, ends at the end of the fourth AGM after the AGM at which the **directors'** election is announced; and
 - (b) the term of office for the remainder ends at the end of earlier AGMs where less than a quarter of the **elected directors** are due to retire at those earlier AGMs.

Directors with less votes retire at earlier AGMs than those with more votes.

- (3) For purposes of Sub rule (2):
- (a) if the number of **elected directors** on the **board** is not divisible by 4– round fractions up to the nearest whole number in determining how many **directors** there are in a quarter of the **elected directors**; and
 - (b) if 2 or more **elected directors** have the same number of votes – the order of retirement amongst them is determined by lot.

12.7 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 12.2(1);
- (c) is absent from 3 consecutive ordinary meetings of the *board* without leave; or
- (d) is 3 months 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.

12.8 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 13. — Directors' Powers

13.1 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 Law* or this Constitution expressly allocates to the *general meeting*.

13.2 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.

13.3 Delegation

- (1) The *board* may delegate any of its powers to any committee or any other person or persons, subject to Rule 3.2. 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 14. — Directors' Meetings

14.1 Calling and Conduct of Board Meetings

- (1) A *director* or the secretary (upon the authority of a *director*) may call a *board* meeting by giving reasonable notice to every other *director*.
- (2) The *board* may meet, adjourn and otherwise regulate its meetings as it thinks fit.

14.2 Quorum of Board

- (1) The quorum for a *board* meeting is one half the number of *directors* from time to time in office 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 resolution under Rule 14.5.

14.3 Chair of Board

- (1) The *board* may appoint a *director* (other than the *managing director*) to chair its meetings. The *board* may determine the period for which the *director* is to be the chair. The *board* may remove the chair from the position of chair at any time.
- (2) The *board* must elect a *director* present (other than the *managing director*) to chair a meeting (or part of it) if:
 - (a) a *director* has not already been appointed to chair the meeting; or
 - (b) a previously appointed chair is not available, or declines to act, for the meeting (or part of it)."

14.4 Passing of Directors' Resolutions

- (1) A resolution of the *board* must be passed by a majority of the votes cast by *directors* entitled to vote on the resolution.
- (2) The chair has a casting vote in addition to his or her deliberative vote.

14.5 Circulating Resolutions

- (1) The *board* may pass a resolution without a *board* meeting if all of the *directors* entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.
- (2) Separate copies of a document may be used for signing by different *directors* if the wording of the resolution and statement is identical in each copy.

- (3) The resolution is passed when the last *director* signs.

14.6 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 members of a committee may appoint one of their number as chair of their meetings.
- (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 15. — Conflicts of Interest

15.1 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 Law* 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 Law*.
- (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.

15.2 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 Law* 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 Law*.
- (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.

15.3 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 Law* 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 Law*.

Division 16. — Remuneration, Indemnity and Insurance

16.1 Remuneration of Directors

- (1) In any financial year for the *credit union*, the *directors'* remuneration may not exceed the aggregate amount that the *general meeting* determines for that year.
- (2) The *board* may determine the allocation of the aggregate amount of remuneration among the *elected directors*. If the *board* does not determine the allocation, the aggregate amount of remuneration must be allocated equally among the *elected directors*."
- (3) The *directors'* remuneration accrues daily from the day that the *general meeting* approves the remuneration to the day that the *general meeting* next determines the *directors'* remuneration.

16.2 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 Law*, insurance premiums for a contract that insures the *director* against liabilities that the *director* incurs as an officer of the *credit union*.

16.3 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 Law* 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 17. — Administration

17.1 Secretary

Subject to Rule 17.2, 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.

17.2 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 observe the *principles of mutuality* as stated in these rules
- (b) to raise funds by subscription, *deposit* or otherwise, as authorised by the *Corporations Law* and *Banking Act 1959* (Cth);
- (c) to apply the funds in providing *financial accommodation* to *members*, subject to the *Corporations Law* and *Banking Act 1959* (Cth);
- (d) to encourage savings amongst *members*;
- (e) to promote co-operative enterprise;
- (f) to provide programs and services to *members* to assist them to meet their financial, economic and social needs;
- (g) 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
- (h) 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 — Terms of Issue for Shares

ANNEXURE A Division 1 — Member Shares

A2-1 Subscription Price

The *subscription price* for a *member share* is \$2

A2-2 Rights, Obligations and Restrictions Attaching to Member Shares

(2) The following rights attach to each *member share*:

- (a) the right to vote on the terms set out in clause A2-3;
- (b) the right to participate in the distribution of profits or assets on a winding-up on the terms set out in clause A2-4; and
- (c) the right to redeem the *member shares* on the terms set out in clause A2-5.

(3) The restriction on transfer of *member shares* in clause A2-6 attaches to each *member share*.

(4) 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.

A2-3 Voting Rights

- (1) 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) At a *members'* meeting or a meeting of the class of holders of *member shares*, whether on a poll or a show of hands:
 - (a) each holder of *member shares* has 1 vote regardless of the number of shares held;
 - (b) a *member* who is a minor has no vote; and
 - (c) despite Subrule (a) a representative of a body corporate *member* can vote both as a *member* and as a representative of the body corporate.

A2-4 Distribution on Winding-Up

- (1) On a winding-up of the *credit union* the holder of a *member share* is entitled:
 - (a) to payment of the subscription price for the *member share* when the *member* subscribed for the *member share*; and
 - (b) if any assets remain after the payments in paragraph (a) and subject to any rights other shares in the *credit union* carry in relation to repayment of paid-up capital on a winding-up – to any surplus assets of the *credit union*.
- (2) Each *member share* carries a right to participate in surplus assets equally with every other *member share*.
- (3) The *credit union* may offset against the amount payable under this clause any other amount payable by the *member* to the *credit union*.
- (4) The entitlements of holders of *member shares* to payment on winding-up are subject to any preferred entitlements to payment on winding-up that holders of any other class of shares may have.

A2-5 Redemption of Member Shares

- (1) The *credit union* may redeem a *member share* only if the following conditions are satisfied:
 - (a) either:
 - (i) the *member* has given the *credit union* notice requesting termination of the *member's* membership of the *credit union* under Rule 4.2;
 - (ii) the *board* has resolved to terminate the *member's* membership of the *credit union* under Rule 9.54.3; or
 - (iii) the *board* has determined that the *member's deposit* accounts with the *credit union*

are dormant under Rule 4.3

- (b) the *credit union* can redeem the *member share* out of:
 - (i) the profits of the *credit union*; or
 - (ii) the proceeds of a new issue of shares made for the purpose of the redemption.
- (2) On redemption, the *credit union* must pay the *member* an amount equal to the *subscription price* for the *member share* when the *member* subscribed for the *member share* less any amount unpaid 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 Law* Part 2J.1.

A2-6 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.

Division 2 — Tier 1 Shares

A2 – 7 Terms of Issue

- (1) The *credit union* may issue *Tier 1 shares* on terms the *board* approves, but subject to the rights and restrictions contained in the Division.

A2 – 8 Rights, Obligations and Restrictions Attaching to Tier 1 Shares

- (1) The following rights attach to each *Tier 1 share*:
 - (a) the right to vote on the terms set out in clause A3 – 10;
 - (b) the right to participate in dividends on the terms set out in clause A3 – 11; and
 - (c) the right to participate in the distribution of profits or assets on a winding-up on the terms set out in clause A3 – 12.

A2-9 Voting Rights

- (1) Except as required by law, *Tier 1 shares* carry no voting rights.

A2 – 10 Dividend Entitlements

- (1) Each *Tier 1 share* carries a right to participate in dividends as specified in its terms of issue.
- (2) Dividends on the *Tier 1 shares* are non-cumulative
- (3) Each *Tier 1 share* confers a right to receive dividends in priority to dividends (if any) which may become payable on *member shares*.
- (4) Each *Tier 1 share* may be entitled to payment of dividend equally with or behind any other share, the terms of whose issue specify a ranking equally with, or in priority to, the *Tier 1 share*.

A2 – 11 Distribution on Winding-Up

- (1) On a winding-up of the *credit union* each *Tier 1 share*:
 - (2) is entitled to repayment of the amount of capital paid up on the *Tier 1 share* equally with every other *Tier 1 share*; and
 - (3) is not otherwise entitled to share in any surplus assets of the *credit union*.
- (4) *Tier 1 shares* rank behind member shares for repayment of capital on a winding-up.
- (5) *Tier 1 shares* may rank equally with or behind any other shares the terms of whose issue specify a ranking equally with, or in priority to, the *Tier 1 shares*.

ANNEXURE B

Method of Calculation of Dividends on Tier 1 Shares

1) Dividend Rate

The dividend rate payable on Tier 1 Shares will be specified in the terms of issue of the Tier 1 Shares, but will not exceed the applicable "AUD-BBR-BBSW" rate plus a margin not exceeding 3.5% per annum ("**T1 Margin**"). The resultant percentage rate per annum is then multiplied by (1-T) (where T is the Australian corporate tax rate at the time of payment of the dividend) and the face value of each Tier 1 Share to calculate the dividend payable from time to time on the Tier 1 Shares.

The dividend rate can also be expressed in the following formula:

$$(\text{"AUD-BBR-BBSW" rate} + \text{T1Margin}) \times (1-T)$$

and the amount of dividend payable can be expressed in the following formula:

$$\text{Dividend Rate} \times \text{face value of each Tier 1 Share}$$

However, if:

- (a) the Credit Union cannot pay a fully franked dividend on the Tier 1 Shares; or
- (b) subject to approval by the **Board** and the terms of issue of the Tier 1 Shares, a specified holder of the Tier 1 Shares is a trustee and cannot distribute the full value of the franking credit to the beneficiaries of the relevant trust as a result of any change in law (or a change in the interpretation or application of any law),

the dividend rate is to be grossed up by such amount as to ensure that the holder received (or, as the case may be, the trustee is able to distribute) an amount which fully reflects the applicable "AUD-BRR-BBSW" rate plus the applicable T1 Margin and, if the dividend is partially franked, the extend to which the dividend is franked.

2) Step-up

If specified in the terms of issue of the Tier 1 Shares and unless otherwise agreed by the Credit Union, the Australian Prudential Regulation Authority (APRA) and the then holders of the Tier 1 Shares, the applicable T1 Margin may increase by an amount not exceeding 1.00% on or after a specified anniversary of the issue of the Tier 1 Shares, but no earlier than the fifth such anniversary.

The Tier 1 Shares will not provide for payment of a higher dividend rate if dividends are not paid on time (nor a reduced dividend rate if dividends are paid on time).

3) Source for payment of dividends

If specified in the terms of issue of the Tier 1 Shares and unless otherwise agreed by APRA, dividends may only be paid out of Distributable Profits, meaning:

- a) the Credit Union's after tax profits, including any after tax profits of any of the Credit Union's controlled entities (on a consolidated basis) for the immediately preceding 12 month period ending on 30 June or 31 December (or such other period as approved by APRA) as disclosed in the latest publicly available financial statements for the Credit Union and its controlled entities (on a consolidated basis), less

- b) the aggregate amount of dividends paid by the Credit Union on Tier 1 Shares and any other instrument specified by APRA, in the 12 month period up to and including the payment date for the dividend.

The payment of a dividend is also subject to the Credit Union having profits available for the payment of a dividend as required by the Corporations Act 2001 and such payment not exceeding 100% of the Credit Union's annual profit after tax in any year.

Note: "AUD-BBR'BBSW" in respect of a specified period (e.g. 3,6 or 12 months corresponding to the frequency of dividends payable on the Tier 1 Shares) means the average mid rate, for Australian Dollar bills of exchange having a tenor closest to that period, which appears on the Reuters Screen "BBSW" page at approximately 10.10am, Sydney time, on the first day of that period. If such rate does not appear on the Reuters Screen "BBSW" page by 10.30am, Sydney time, on the first day of that period, or if it is displayed but there is an obvious error in that rate, then the rate for that period will be the rate determined in the manner specified in the terms of issue of the Tier 1 Shares at approximately 10.30am on that day, having regard, to the extent possible, to the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time (including any displayed on the "BBSY" page of the Reuters Monitor System) and comparable indices (if any) then available. The rate will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001%).

Appendix 3 — Standing Orders

A3-1 Time Limits for Speakers

- (1) The mover of a motion may speak for no more than 7 minutes.
- (2) Subsequent speakers may speak for no more than 5 minutes.
- (3) The mover of the motion may reply for no more than 3 minutes.
- (4) The meeting is free to extend the time a speaker may speak.

A3-2 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.

A3-3 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.

A3-4 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.

A3-5 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 4 — Election of Directors

Ballot at AGM

A4-1 Election

- (1) An election of *directors* is held by secret ballot to which the provisions of this Appendix apply.
- (2) The following table sets out the timetable for election of *directors* by *members*:

Steps in Election Procedure	Time
Call for nominations (see clause A4-2 (1))	Not less than 56 days before AGM
Nominations close (see clause A4-2 (2))	35 days before AGM
Conduct of ballot and announcement of <i>directors</i> (see clause A4-9)	AGM

A4-2 Nominations

- (1) The *board* must give *members* a notice calling for *members* to nominate *candidates* not less than 56 days before the AGM. The *board* may give this notice, in addition to any of the methods allowed in Rule 1.5, by advertisement:
 - (a) at the *credit union's* offices; or
 - (b) in newspapers.
- (2) Nominations close between 42-35 days before the AGM.
- (3) 2 *members* together have the right to nominate a *candidate*. To nominate a *candidate*, the 2 *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 12.2(1);
 - (b) state the *candidate's* age; and
 - (c) be signed by the nominating *members* and the *candidate*.
- (4) A *candidate* is only a *candidate* for the purposes of the remainder of this Appendix if and when the *Governance and Nomination Committee* has assessed the *candidate* as having the appropriate fitness and propriety to be a *director*, by reference to the *board's* Fit and Proper Policy.

A4-3 Proceeding with Election

- (1) If the number of *candidates* is equal to or less than the number of positions to be filled:

- (a) the *general meeting* may appoint each *candidate* as a *director* by passing a separate resolution at the AGM;
- (b) the election process otherwise set out in this Appendix is discontinued; and
- (c) the *credit union* must give each *member* a notice that:
 - (i) states that the election process has been discontinued;
 - (ii) sets out the name of each *candidate*;
 - (iii) states that the *general meeting* will vote on the appointment of each *candidate* as a *director* by a separate ordinary resolution at the AGM;
 - (iv) identifies any *candidates* who will be 72 or more by the date of the AGM; and
 - (v) states that the *general meeting* will also have to pass a separate special resolution to appoint each *candidate* who will be 72 or more by the date of the AGM as a *director*.

A4-4 Appointment of Returning Officers

- (1) The *board* must appoint a returning officer, who may appoint assistant returning officers, none of whom can be an officer of the *credit union* or a *candidate*.
- (2) The *secretary* must prepare and give the returning officer a roll of *members*.

A4-5 Appointment of Scrutineer

- (1) A *candidate* may appoint a scrutineer.
- (2) 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.

A4-6 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 returning officer must ensure some authenticating mark appears on each ballot paper before issuing them to the *members*.
- (4) On issuing each ballot paper, the returning officer must mark the *member's* name off the roll of *members*.

A4-7 Conduct of Ballot

- (1) The returning officer must conduct the ballot at the AGM.
- (2) The returning officer must provide secured ballot boxes. The ballot boxes must remain secured until the closure of the ballot.

A4-8 Closure of the Ballot

The ballot closes at the time the returning officer specifies.

A4-9 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) supervise the scrutinising of the ballot papers and reject informal ballot papers;
 - (b) count the votes;
 - (c) 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
 - (d) deliver the declaration to the *secretary*.
- (2) A ballot paper is informal if:
 - (a) it is not authenticated by the returning officer; or
 - (b) it has no vote indicated on it or it does not indicate the *member's* preference for a *candidate*.
- (3) The *secretary* must announce the results of the ballot at the 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.

A4-10 Voting System

- (1) The *candidates* with the highest number of votes in accordance with the number of vacancies are appointed as *directors*.
- (2) If 2 or more *candidates* have the same number of votes, the *candidate* appointed as a *director* is determined by lot.

A4-11 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 *secretary's* notifying *members* of the result of the ballot.
- (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 5 - Governance & Nominations Committee

A5 – 1 Appointment of Governance and Nominations Committee

- (1) The *Board* must appoint at least 3 *directors* to form the *Governance and Nominations Committee*.
- (2) Each member of the *Governance and Nominations Committee* must enter into an agreement with the credit union to keep confidential their assessments under Clause A5-2, during and after their appointment.

A5 – 2 Role of Committee

- (1) The *Governance and Nominations Committee* must assess all persons (including existing *directors* who nominate for re-election), prior to their appointment as an *elected director* by *members* under Rule 12.3, as to their fitness and propriety to be and act as an *elected director*, by reference to the *board's* Fit and Proper Policy.

A5 – 3 Duty of Confidentiality

- (1) Each *director* must keep confidential any assessment of any other *director*, or person seeking appointment as a *director*, during and after their term of office, except to the extent that disclosure is required by law, for example, to *APRA*.