

Schedule of Constitutional Amendments

1. Subscription price for Member Shares

- 1.1. Amend the definition of subscription price in Rule 1.1 to read:

"**subscription price** means the amount of money (if any) payable by a person on subscription for a **member share**."
- 1.2. Amend paragraph 3.1(1)(d) to read:

"(d) if an amount is payable, the person pays or agrees to pay the **subscription price** for the **member share**."
- 1.3. Amend paragraph 4.4(5)(b) by replacing the term "subscription amount" with "**subscription price**".
- 1.4. Amend Subrule 5.3(2) to read

"(2) The **credit union** may only issue **member shares** in accordance with Rule 3.1."
- 1.5. Delete Subrule 5.3(3) and renumber the remaining Subrule.
- 1.6. Amend Clause A3-1 of Appendix 3 to read:

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

2. Directors

- 2.1. Amend paragraph 13.1(1) to read:

"Except as provided for in Subrule 13.1(2), the number of **directors** shall be such number, a minimum of 5 directors at all times, not being more than 9, as the **board** by time to time determines, of which:
(a) not more than 7 may be **elected directors**; and
(b) not more than 2 may be **appointed directors**."
- 2.2. Delete all the words after "12 years" when it first appears in paragraph 13.2(f).
- 2.3. Amend paragraph 13.2(g) to read:

"(g) is determined to be fit and proper by the **credit union** in accordance with the credit union's **fit and proper policy**."
- 2.4. Delete Rule 13.9.

3. Election Procedures

- 3.1. Insert the following definitions in Rule 1.1:

"**candidate** means a person who the returning officer has determined to be a **candidate** for election or appointment as a **director** in accordance with Appendix 5."

"**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 the **prudential standards**."

"**nominee** means a person nominated for election or appointment as a **director** in accordance with Appendix 5."

"**prudential standard** means

- (a) any prudential standard that **APRA** determines under the *Banking Act 1959 (Cth)*;
- (b) any prudential regulation made under the *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)*"

3.2. Amend Appendix 5 as follows:

- 3.2.1. Move Clause A5-4 to become Clause A5-2, renumber the remaining Clauses and amend renumbered Clause A5-2(1) to read:

"(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**, a **nominee** or a **candidate**."

- 3.2.2. Replace the word "**candidate**" with "**nominee**" wherever appearing in renumbered Clause A5-3.

- 3.2.3. Insert a new Clause A5-4 and adjust the numbering of the remaining Clauses of Appendix 5 accordingly:

" A5-4 Assessment of nominees

(1) Within 28 days of the close of nominations, the **board** must determine, in relation to each **nominee**, whether it is satisfied that the **nominee** 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 A5-4 the **board** will follow the procedures set out 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 in making its determinations under this Clause A5-4. The membership, role and operations of the **nominations panel** will be set out in the **fit and proper policy**.

(4) A **nominee** must give to the **credit union**, before nominations close, such information as the **credit union** requires to determine if they are qualified to be or act as a **director**.

(5) Each **nominee** must if required by the **board** or any **nominations panel** submit to an interview by the **board** or the **nominations panel**. The interview can be conducted in such place and manner as the **board** or the **nominations panel** determine.

(6) A **nominee** who fails to attend an interview required under Clause A5-4(5) will have their nomination rejected by the returning officer under Clause A5-4(8)

(7) The **board** or the **nominations panel** must provide to the returning officer a report setting out:

(a) the name of each **nominee** who failed to provide any or all of the information required under Clause A5-4(4);

(b) the name of each **nominee** who failed to attend an interview with the **board** or the **nominations panel** as required under Clause A5-4(5); and

(c) the name of each **nominee** who is assessed as fit and proper to be or act as a **director** by reference to the **fit and proper policy**.

(8) The returning officer must reject the nomination of any **nominee** where:

(a) it appears to the returning officer that the **nominee** is not eligible under Rule 13.2 or the nomination does not otherwise comply with Clause A5-3(3); or

(b) the **nominee** is named in the **board's** or the **nominations panel's** report as having failed to provide any or all of the information required under Clause A5-4(4); or

(c) the **nominee** is named in the **board's** or **nominations panel's** report as having failed to attend the interview as required under Clause A5-4(5); or

(d) the **nominee** is not named in the **board's** or **nominations panel's** report as being fit and proper to be or act as a **director**.

(9) The returning officer shall advise each **nominee**, their proposers and the **board** whether a **nominee's** nomination has been accepted or rejected.

(10) Only a **nominee** whose nomination has been accepted by the returning officer becomes a **candidate** for election or appointment as a **director** to whom the remainder of this Appendix 5 applies."

4. Termination of Membership if No Accounts

4.1. Amend Rule 4.1(a) to read:

"(a) the **credit union** redeems the **member's member share** under Rule 4.2, Rule 4.3, Rule 4.4 or Rule 4.5;

4.2. Amend Rule 4.3(1) to read:

"The **board**, or its **delegate** appointed in accordance with Rule 14.3, may resolve that the **credit union** will 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 of conduct that the **delegate or board** reasonably considers to be detrimental to the **credit union**; or
- (c) the **member** obtains membership by misrepresentation or mistake.

4.3. Amend Rule 4.3(3) to read:

"At the time the **delegate or board** considers the proposed resolution, the **board** will give the **member** written notice of the proposed action and reasons, and

- (a) provide the **member** a reasonable opportunity (not less than 14 days) to respond in writing or electronically; and
- (b) consider the response received before making a decision. The **board** is not required to hold an in-person hearing. The **board** must act reasonably and in good faith in exercising its powers under this Rule."

4.4. Amend Rule 4.3(4) to remove:

~~"sending a cheque to the **member's** address as set out in the Register of Members"~~

4.5. Insert a new Rule 4.5

“4.5 Termination Where No Accounts

(a) If all **deposit** and **financial accommodation** accounts of a **member** have been closed the **board** may redeem a **member's member share**.

(b) On redeeming of the **member share**, the **credit union** may pay the amount payable on redemption of the **member share** to the **member** by sending to the **member's** address as set out in the Register of Members at the time the **member share** is redeemed a cheque or a written request for the **member** to nominate a **credit union** account to directly credit the subscription amount.;

5. Virtual Meetings & Electronic Voting

5.1. Insert new definitions in Rule 1.1

direct vote means a vote cast using a direct voting system

direct voting system means a system if so determined by the board in accordance with Rule 8.7 which enables members to vote by electronic means either:

(a) before a **members'** meeting on such resolutions nominated by the **board** that are to be considered at the **members'** meeting; or

(b) in an election of **directors**; or

(c) during a **members'** meeting if the **board** has approved the use of an **electronic meeting system**

electronic meeting system means a system if so determined by the board in accordance with Rule 12.7 which enables **members** to participate by electronic means, and to cast **direct votes**, in **members'** meeting

5.2. Replace Rule 11.3(1)

(1) The quorum for a **members'** meeting is 10 **members** present in person, by proxy or through an **electronic meeting system**.

5.3. Replace Rule 11.4

(4) The Standing Orders in Appendix 4 apply to the conduct of debate at **members' meetings** with such modifications the **board** may determine in order to facilitate the use of an **electronic meeting system**.

5.4. Insert a new Rule 11.3(5)

(5) **Members'** meetings may be held at any one or more places and/or held using an **electronic meeting system**.

5.5. Replace Rule 12.1

12.1 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) If the has a **direct voting system** on a show of hands or a poll, a **direct vote** cast during the **members'** meeting is taken to have been cast on the show of hands or poll and is to be counted accordingly.

(3) If a **member** has cast a **direct vote** prior to a **members' meeting** the **member** may not cast another vote on the resolution at the **members' meeting** whether in person, by proxy, attorney or representative.

(4) Before a **members' meeting** votes on a resolution, the chair must inform the meeting:

(a) If any proxy votes have been received and, if so:

(i) how many proxy documents the **credit union** has received that validly appoint a person present at the meeting as proxy;

(ii) how many of these proxy documents direct the proxies how to vote on the resolution; and

(iii) how the proxies are directed to vote on the resolution.

(b) if the **board** has approved the use of a **direct voting system** – the number of valid **direct votes** cast before the **members' meeting**:

(i) on the resolution in total;

(ii) in favour of the resolution;

(iii) against the resolution; and

(iv) abstaining from voting.

(5) The **members' meeting** passes an ordinary resolution only if more than half the total number of valid votes cast on the resolution are in favour of it.

(6) The chair does not have a casting vote in addition to his or her deliberative vote.

5.6. Insert a new Rule 12.7

12.7 Electronic Meeting System and Direct Voting System

(1) If the **board** determines to use a **direct voting system** or an **electronic meeting system** the **board** may develop such procedures as they consider appropriate including procedures for:

(a) the form, method, and the manner of access and use; and

(b) the time by which the **direct votes** cast before a **members' meeting** must be received by the credit union the direct vote to be effective. This time must be no later than the time appointed for the commencement of the **members' meeting** or, in the case of an adjournment, the resumption of the **members' meeting** and in the case of an election of directors when the ballot closes in accordance with Appendix 5.

(2) 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 returning officer must destroy any submitted direct votes, or records of submitted **direct votes**, in relation to the election three months after the declaration of the ballot.

(3) A valid **direct vote** cast by a **member** before a **members' meeting** 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.

(4) 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.

(5) A **direct vote** received by the **credit union** before a **members' meeting** 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 **members' meeting** or, in the case of an adjournment, the resumption of the **members' 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 Appendix 5.

(6) Where an **electronic meeting system** is used for a **members' meeting**, a **direct vote** cast by a **member** during the **members' meeting** 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 general meeting commenced.

5.7. Replace Clause A5-1 of Appendix 5

A5-1 Holding of Election

An election of **elected directors** of the **credit union** is to be held in the manner set out in this Appendix or as it may be modified by the **board** under Rule 12.7 to allow a **direct vote** in addition to or substitution for a postal ballot.

5.8. Insert a new Clause A5-10 in Appendix 5

A5-10 Direct Voting

(1) If the **board** has determined to provide a **direct voting system** in addition to a postal ballot:

(a) a **member** may vote by post or by **direct vote**, but may only vote once;

(b) the returning officer shall provide an interactive copy of the ballot paper in a secure online system to facilitate voting by electronic means and make available to **members** all information reasonably necessary to facilitate voting by electronic means. Requirements for an authenticating mark of the returning officer on the ballot paper shall not apply, but the returning officer must ensure that a **member** cannot a **direct vote** more than once in the election;

(c) a **member** who votes by **direct vote** must ensure that his or her vote is submitted to the returning officer in accordance with any instructions given for voting by electronic means;

(d) in respect of any **direct vote** received by the returning officer by electronic means, the returning officer must ensure that the fact that the **member** has voted is recorded;

(e) the returning officer must cause all direct votes to be recorded in such way that they cannot subsequently be identified with any particular member;

(f) if a **member** lodges both a vote by post and a **direct vote**, then the returning officer must:

(i) if one of the votes is informal, accept the formal vote; and

(ii) if both votes are formal, accept the vote received first;

(g) the election procedures set out in the preceding Rules of Appendix 5 are deemed to be otherwise modified to the extent necessary to permit a direct vote.

Miscellaneous

- 5.9. Inset a new sentence to Division 2.1 Objects:

To the extent of any inconsistency between the constitution and the Banking Act, APRA prudential standards, or any direction issued by APRA, the legislation and regulatory requirements prevail.