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POLICE AND FAMILIES CREDIT UNION

Registered number 1802854

The attached complete amendment of the rules of Police and Families Credit Union, replacing all previous rules, was approved by 53 members at the Annual General Meeting of the Police and Families Credit Union held on Wednesday 12 October 2016.

The Amendment comprises 24 pages including this page.

We declare that the amendment has been duly made in accordance with the rules of the Police and Families Credit Union and to the best of our knowledge and belief, is not contrary to the Friendly Societies and Credit Unions Act 1982, or any other relevant legislation.

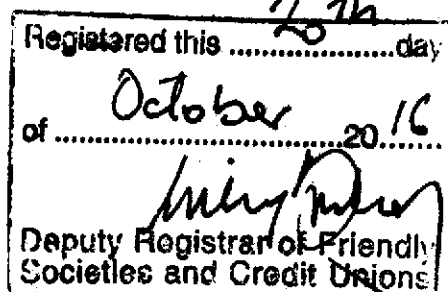
Dated this 13th day of October 2016

Member of the Police and Families Credit Union

Member of the Police and Families Credit Union

Member of the Police and Families Credit Union

Secretary of the Police and Families Credit Union



RULES OF POLICE AND FAMILIES CREDIT UNION

Name of Credit Union: POLICE AND FAMILIES CREDIT UNION

Registered Number: 610 1802854

Rule 1: The registered office of the Credit Union shall be at Level 11, 57 Willis Street, Wellington or such other location notified to the Registrar as required by the Friendly Societies and Credit Union Act 1982 or any legislative enactment in amendment or substitution thereof.

Rule 2: The name of this Credit Union is the **POLICE and FAMILIES CREDIT UNION.**

Rule 3: INTERPRETATION

In these Rules, unless the context otherwise requires:

- 3.1 **Act** means the Friendly Societies and Credit Unions Act 1982, together with any amendment thereto and any legislation passed in substitution thereof.
- 3.2 **Board** means the Board of Directors of the Credit Union which is the Committee of Management as defined under the Act.
- 3.3 **Chairman** shall mean the Chairman of the Board of the Credit Union.
- 3.4 **Credit Union** shall mean the Police and Families Credit Union.
- 3.5 **Director** means both elected and non-elected officers pursuant to Rule 8
- 3.6 **General Meeting** shall mean the Annual General Meeting or any Special General Meeting called in terms of these rules of the Credit Union.
- 3.7 **Chief Executive Officer** means the person appointed to that position by the Board and who is responsible for the day to day management and oversight of the Credit Union's business. Previously known as the General Manager or Manager.
- 3.8 **Police Service Organisation** means the Police Association and the Police Managers Guild.
- 3.9 **Supervisor** means the Supervisor appointed by the Board pursuant to the Trust Deed.



- 3.10 **Registrar** shall mean the Registrar of Friendly Societies and Credit Unions.
- 3.11 **Secretary** shall mean the Chief Executive Officer of the Credit Union.
- 3.12 **Treasurer** shall mean the person appointed as the Chief Financial Officer of the Credit Union.
- 3.13 **Trust Deed** means the trust deed entered into between the Trustees, on the recommendation of the Board and the Supervisor pursuant to the relevant provisions of the Financial Markets Conduct Act 2013 and Financial Markets Conduct Regulations 2014 both as amended from time to time.
- 3.14 **Trustee** shall mean an elected Trustee of the Credit Union.
- 3.15 **Vice Chairman** shall mean the Vice-Chairman of the Board.

Rule 4: OBJECTS OF THE CREDIT UNION

The objects for which the Credit Union is established are:

- 4.1 To receive the savings of members as payment on shares.
- 4.2 To make loans to members with or without security.
- 4.3 To invest the funds or any part thereof of the Credit Union in any manner authorised by Part 3 of the Act.
- 4.4 To train and educate members in the wise use of money and the management of their financial affairs.
- 4.5 At the discretion of the Board and as a minor adjunct to the other objects set out above, to provide for the welfare of its members and the making of donations for charitable, cultural, benevolent, or philanthropic purposes.
- 4.6 To amalgamate with or transfer the assets of the Credit Union to another Credit Union, or Association of Credit Unions.
- 4.7 To conduct outside the Credit Union, Debt Protection and/or Savings Insurance for the benefit of members of the Credit Union.
- 4.8 To carry out all such lawful activities as in the opinion of the Board are incidental or conducive to the attainment of the objects of the Credit Union or any of them.

Rule 5: MEMBERSHIP

- 5.1 Membership of the Credit Union shall be open to persons being employees or former employees of the New Zealand Police, or the Credit Union, or the Police Service Organisations and/or their families (being family members as

defined in Rule 5.2.3), including any such person aged 16 years or younger.

5.2 Classes of Membership:

- 5.2.1 Serving members shall be persons who are employees of the New Zealand Police or the Police Service Organisations, or the Credit Union.
- 5.2.2 Retired members shall be persons who have ceased employment, from the New Zealand Police or the Police Service Organisations or the Credit Union or who have met the retirement criteria pursuant to the Policing Act 2008 and any legislation passed in substitution thereof.
- 5.2.3 Family members: For the purposes of these Rules family members means spouses, former spouses, partners (both civil union and de facto) and children or grandchildren of any member of the Credit Union including spouses, partners, children and grandchildren of deceased members of the Credit Union.
- 5.2.4 Students, approved by the Credit Union, who are enrolled, or about to be enrolled, in courses at recognised tertiary educational institutions in New Zealand as a pre-condition to becoming employees of the New Zealand Police”.

5.3 Application for admission must be in writing on the form prescribed by the Board.

5.4 A person shall not become a member until the subscription for one \$1.00 share has been paid in full.

- 5.4.1 A member who withdraws all his/her shareholding thereby ceases to be a member of the Credit Union.
- 5.4.2 No person shall be entitled to remain a member of the Credit Union who does not fulfil the qualification of membership.
- 5.4.3 A member may be expelled from membership of the Credit Union, or an applicant declined membership of the Credit Union, if in the Board's opinion that member or applicant is guilty of conduct which is prejudicial to the interests of the Credit Union.

5.5 Voting:

- 5.5.1 All members eligible to vote shall have only one vote in any meeting, or for the election of any candidate as a Director or Trustee, with the exception of the Chairman of the meeting who shall be entitled to a deliberative vote, but in the event of an impasse, he shall exercise a casting vote.
- 5.5.2 Members may vote at any General Meeting either personally

or by proxy.

5.5.3 No person shall be appointed a proxy who is not a member of the Credit Union.

5.5.4 A proxy may be appointed only for a specific period or a specified meeting and adjournments thereof.

5.5.5 All instruments appointing proxies shall be in writing and signed by the voting member, indicating the way the member wishes to vote on a notice of motion as placed on the meeting order paper or for a candidate known to be a standing for a particular position.

5.5.5.1 The instrument appointing as proxy shall be received at the postal address of the Chief Executive Officer no less than 48 hours prior to the commencement of the meeting at which the person named in the instrument proposes to vote.

5.6 Withdrawal of members

5.6.1 A member may withdraw from the Credit Union at any time, but 60 days' notice of withdrawal may be required. All amounts paid in on shares of any kind together with any interest credited thereto to the date thereof shall be paid to such withdrawing members as their funds become available and only after deducting therefrom any amounts due from such member to the Credit Union.

Rule 6: MEETINGS OF MEMBERS

6.1 The Annual General Meeting of the members shall be held each year at a time and place to be decided by the Board.

6.2 Special General Meetings of the Credit Union:

6.2.1 May be called by the Chairman of the Board at any time;
or

6.2.2 May be called by the Chief Executive Officer if requisitioned on the written request of 200 members of the Credit Union; or

6.2.3 Must be called by the Credit Union if it is required to do so pursuant to the Trust Deed and any meeting called by the Credit Union under this Rule 6.2.3 shall be convened and held in accordance with the relevant provisions of the Trust Deed.

6.3 Notice of Meeting

- 6.3.1 Subject to Rule 6.3.2, at least 10 days before the date of any annual or special meeting of the members, the Chief Executive Officer shall cause notice thereof to be given to each member, either by being mailed to each member at his or her address as the same appears on the records of the Credit Union or by being published in any journal, magazine, newsletter, newspaper or publication circulated to members of the Police or published to any Credit Union website or otherwise transmitted by electronic means to members.
- 6.3.2 Each meeting that is called by the Credit Union pursuant to Rule 6.2.3 shall be called and convened in accordance with the relevant provisions of the Trust Deed.
- 6.4 The Chairman of a meeting convened under Rule 6.2.1 or 6.2.2 shall be the Chairman of the Board of the Credit Union for the time being or, in his absence, the Vice Chairman. Should neither of the above be present at such a meeting then the Chairman shall be elected by a simple majority of those present.

The Chairman of a meeting convened under Rule 6.2.3 shall be a person nominated by the Supervisor or such other person as may be appointed in that behalf by the Members present at the meeting.

The Supervisor, through its agents, attorneys, legal advisers or representatives may attend any meeting of Members (whether convened under Rule 6.1 or Rule 6.2.1, .2 or .3) and shall have the right to speak and be heard at any such meeting, whether in relation to a matter arising during the course of business of the meeting or any other matter that the Supervisor wishes to raise at the meeting.

- 6.5 The order of business at the Annual General Meeting shall be:
- a) Ascertainment that a quorum is present
 - b) Presentation for approval or correction of the minutes of the last meeting
 - c) Report of Directors
 - d) Report of the Chief Executive Officer
 - e) Report of the Trustees
 - f) Financial Report
 - g) Auditors Report

- h) Any other Reports
- i) Any amendment to Rules
- j) Elections
 - i. Election of Directors
 - ii. Election of Trustees
- k) New Business.

6.6 Suspension of order of business

The members assembled at any annual meeting may suspend the above order of business upon a two-thirds vote of the members present at the meeting. Except in hereinafter provided at annual or special general meetings, fifteen members shall constitute a quorum. If no quorum is present an adjournment may be taken to a date not fewer than fourteen or more than twenty-eight days thereafter and the members present at any such adjournment shall constitute a quorum regardless of the number of members present.

The same notice for the adjourned meeting shall be as for the original meeting, and such notice shall be given not fewer than ten days prior to the date of the adjourned meeting.

Rule 7: ELECTIONS

- 7.1 At each Annual General Meeting of the Credit Union, Directors and/or Trustees shall retire by the rotation of:
 - a) Directors having served a two-year term since last elected.
 - b) Trustees having served a three-year term since last elected.
 - c) Appointed Replacement Directors and Appointed Replacement Trustees at the next Annual General Meeting following appointment.
- 7.2 A Retiring Director or a Retiring Trustee shall be eligible for re-election unless otherwise ineligible.
- 7.3 Election of Directors and Trustees

The following procedure shall be followed for the conduct of a ballot to fill the vacated offices.

- a) The Board shall, at least ninety days prior to the Annual General meeting, appoint a Returning Officer and two scrutineers. If the Returning Officer requires assistance in the carrying out of any aspect of the duties set out herein or

is unable by reason of illness or other sufficient cause to attend to such duties, the Returning Officer may appoint one or more Deputy Returning Officers (who shall not be Directors of the Credit Union) to carry out these duties.

- b) For every election the Returning Officer shall prepare a roll of electors, which shall consist of the names alphabetically arranged of persons duly registered as members eligible to vote and the members Credit Union account number. Such roll to be prepared and closed off as at the date of closure of nominations.
- c) At least sixty days prior to the Annual General Meeting the Returning Officer shall call for nominations for positions that become vacant due to retirement by rotation or withdrawal for any other reason of Directors and/or Trustees.
- d) The notice calling for nominations for candidates for positions of Director and/or Trustees shall specify a day not less than fourteen or more than twenty eight days after the publication of the notice as the last day for the receipt of nominations of candidates at the address of the office of the Returning Officer where all nominations must be received.
- e) In order that a person may become a candidate for election to the position of Director or Trustee that person must complete a nomination form prescribed by the Board including any necessary requirements to comply with New Zealand law and shall be nominated by not fewer than two persons entitled to vote. Those persons who shall sign the nomination paper and, after having obtained the consent in writing of the person so nominated, shall forward or lodge the nomination to the Returning Officer at the address of his office so as to be in the Returning Officer's hands before four o'clock on the afternoon of the last day for receipt of nomination of candidates.
- f) If the number of persons who are duly nominated does not exceed the number of Directors and/or Trustees to be so elected, the Returning Officer shall declare such persons duly elected as Directors or Trustees at the next Annual General Meeting.
- g) No Person shall be elected to both the position of Director and Trustee simultaneously.
- h) If at the closure of the nomination of candidates the number of candidates for Directors and/or Trustees exceeds the number of Directors and/or Trustees to be elected, the Returning Officer shall appoint a day (being a day not less than five days before the date of the Annual General

Meeting) on which the poll shall close and the result of the election of Directors and Trustees shall be ascertained.

- i) Every poll shall close at four o'clock in the afternoon of the day so appointed.
- j) If a poll is required to be taken, the Returning Officer shall ensure that voting papers are distributed to every member who is 16 years or older at the date that the poll closes.
- k) Candidates may submit background notes to the Returning Officer and on receipt of such notes the Returning Officer shall distribute such notes with all voting papers.
- l) Voting papers shall contain:
 - i. Instructions on how many positions are to be elected in each poll i.e. number of Directors and/or Trustees required
 - ii. The names in full alphabetical order of all candidates for election as Directors and/or Trustees
 - iii. Instructions on how to clearly signify the candidate or candidates for whom the member wishes to vote
 - iv. Provision for the member to complete their name and Credit Union account number
 - v. Address of Returning Officer to whom voting papers are to be returned
 - vi. Closure date of the poll.
- m) The Returning Officer shall be responsible for security and safekeeping of all voting papers until they have been opened examined and counted.
- n) The Returning Officer shall, at four o'clock in the afternoon of the day appointed for closing the poll or as soon as practicable thereafter and at his office, in the presence of the appointed scrutineers, proceed to open, mark off voting papers received against the roll of electors, examine the voting papers and count the number of votes received by each candidate. On completion of counting and the verification of the count of the votes received by each candidate by the scrutineers, the Returning Officer shall make out and sign a written statement, countersigned by the scrutineers, containing the numbers of the votes cast for each candidate and shall at the same time within the written statement declare the names of the candidates elected.

Such written statement shall be sealed in an envelope and delivered to the Chairman.

- o) In the event of a Replacement Director or Trustee having been appointed within the period between Annual General Meetings the Returning Officer shall, within the written declaration, declare that the lowest polling successful candidate elected shall serve for such an appropriate length of time to preserve standard rotational retirements.
- p) The counting of votes shall be by the first past the post method as follows:

Each candidate shall receive one vote as indicated on each voting paper, the candidates elected shall be those candidates who receive the highest number of votes in accordance with the number of vacancies to be filled.

- q) At the examination of the voting papers every voting paper shall be rejected which:
 - i. Does not clearly indicate the voting member's name and Credit Union account number
 - ii. Contains indications of the voting member having identified or voted for more candidates than positions to be filled
 - iii. Is manifestly irregular; or
 - iv. Is so imperfectly executed that the intention of the voter cannot with certainty be ascertained.
- r) The names of the persons elected shall be declared by the Chairman at the Annual General Meeting and in such other place as the Board may determine.

Rule 8: BOARD OF DIRECTORS

8.1 The Board of Directors shall consist of:

- a) Elected Officers
 - i. Five Directors
 - ii. Three Trustees.
- b) Non Elected Officers are subject to compliance with New Zealand law.
 - i. The President of the New Zealand Police Association (Inc.) or the nominee of the Board of Directors of the New Zealand Police Association (Inc.), which nominee

must be a member of the New Zealand Police Association (Inc.).

- ii. The President of the New Zealand Police Managers Guild or the nominee of the National Executive of the New Zealand Police Managers Guild which nominee must be a member of the New Zealand Police Managers Guild.

- c) Any appointed Directors appointed pursuant to Rule 8.5.
- d) Any appointed Trustees appointed pursuant to Rule 10.3.
- e) Any associate Directors appointed pursuant to Rule 8.13.

8.2 A Trustee may concurrently hold the position of Chairman or Vice Chairman.

8.3

- i. On election, the term of office for a Director shall be for two years. Directors shall serve until close of business of the General Meeting at which they are due to retire by rotation.
- ii. On election, the term of office for a Trustee shall be for three years. Trustees shall serve until close of business of the General Meeting at which they are due to retire by rotation.

8.4 Each elected officer of the Board retiring by rotation shall be eligible for re-election unless otherwise ineligible.

8.4.1 No member other than a Constabulary member or Police employee of the New Zealand Police shall be eligible for nomination to a position as Trustee.

8.4.2 Any member, with the exception of any employee of the Credit Union, shall be eligible for nomination to an elected position as Director.

8.5 Any vacancy of elected officer occurring between General Meetings shall be filled by appointment by the majority vote of the members of the Board. Any officer so appointed shall hold office only for the period up to and including the next election of officers.

8.6 The Board shall meet not less than four times each year, the date and time of which shall be selected by the members of the Board.

8.7 The Chief Executive Officer shall call a special meeting of the Board upon the written request of any three members of the Board. The Chief Executive Officer shall fix a time and place of special meetings unless the Board by resolution prescribes

otherwise.

- 8.8 Notice of all meetings of the Board shall be given in such manner as the Board shall from time to time by resolution prescribe.
- 8.9 Six members of the Board shall constitute a quorum for the transaction of business at any meeting thereof but fewer than a quorum may adjourn from time to time until a quorum is in attendance. Written notice of an adjourned meeting need not be given to the Directors.
- 8.10 If an elected Director or Trustee fails to attend regular meetings of the Board for three consecutive meetings or otherwise fails to perform any of the duties delivered upon him as Director or Trustee, his or her office may be declared vacant by the Board and the vacancy filled as herein provided.
- 8.11 Appointment of Chairman and Vice Chairman:
 - a) At the first meeting of the Board following elections, the Board, on a majority vote, shall appoint a Chairman and Vice Chairman.
 - b) No person shall be eligible to stand for the positions of Chairman or Vice Chairman unless he or she has served one term as an elected Director or Trustee. In the event of no member having served sufficient time to fulfil this criteria, the Board themselves, on a majority vote, shall appoint, a Chairman or Vice Chairman as required from within the elected Directors or Trustees to serve until one or more of the elected Directors or Trustees fulfils the qualifying criteria.
- 8.12 A non elected officer of the Board shall be ineligible to stand for the positions of Chairman or Vice Chairman. A non elected officer may not also simultaneously hold the position of an elected Director or Trustee.
- 8.13 The Board may appoint associate directors or advisory committees on such terms and conditions as the Board may decide in its sole discretion. Every associate director shall be entitled to have notice of all meetings of the Board and shall have speaking rights at those meetings provided that an associate director shall not have voting rights or be counted in the quorum of a meeting of the Board.

Rule 9: DISQUALIFICATION OF DIRECTORS AND TRUSTEES

All such offices shall be vacated if the officer whether he/she be a Director or Trustee:

- 9.1 Ceases to be a member of the Credit Union; or
- 9.2 Becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 9.3 Becomes of unsound mind under the Mental Health (Compulsory Assessment and Treatment) Act 1992 or becomes a Protected Person under the Protection of Personal and Property Rights Act 1988; or
- 9.4 No longer meets the suitability criteria under New Zealand law; or
- 9.5 Resigns his/her office by writing to the Credit Union.

Rule 9A: OFFICERS APPOINTED BY SUPERVISOR

The provisions of this Rule 9A shall apply and have full force and effect notwithstanding anything to the contrary in these Rules.

- 1. (a) The Supervisor shall be entitled, by notice in writing to the Credit Union, to remove and appoint Directors in the circumstances specified in the Trust Deed. Any such appointment or removal shall be effected by written notice from the Supervisor to the Credit Union.
- (b) In the circumstances specified in the Trust Deed, the Supervisor shall be entitled to convene a special meeting of the Credit Union for the purposes of considering a resolution which proposes the removal of the incumbent trustees and the replacement of them by persons nominated by the Supervisor. Notwithstanding anything contained in Rule 9, a Trustee shall vacate his or her office if a resolution passed at such a meeting directs that he or she should be removed from office. Notwithstanding anything contained in Rules 7 and 8, if the members, at a meeting convened in terms of this Rule 9A.(1)(b) pass a resolution authorising the appointment of a new Trustee, that new Trustee shall take office with effect from the conclusion of the relevant meeting. Any such meeting shall be convened and held in accordance with the terms of the Trust Deed.
- (c) The Supervisor shall also be entitled to appoint a person to attend meetings of the Board as an observer in the circumstances set out in the Trust Deed and any such appointee shall be entitled to receive the same information as the Directors and shall be entitled to speak and be heard at meetings of the Board.
- 2. A Director appointed by the Supervisor under Rule 9A.1(a) shall vacate his or her office:

- (a) if he or she becomes bankrupt or makes any arrangement or composition with his or her creditors generally; or
 - (b) if he or she becomes of unsound mind under the Mental Health (Compulsory Assessment and Treatment) Act 1992 or becomes a Protected Person under the Protection of Personal and Property Rights Act 1988; or
 - (c) if he or she resigns his or her office by notice in writing to the Credit Union; or
 - (d) he or she is removed from office by written notice from the Supervisor to the Credit Union; or
 - (e) at the conclusion of a meeting called under Rule 9A.5 or Rule 9A.7.
3. Directors appointed by the Supervisor under Rule 9A.1(a) shall not be subject to retirement under Rule 7.
 4. If, pursuant to the Trust Deed the Supervisor no longer has the right to appoint Directors, the Supervisor shall, within one month of such situation occurring, given written notice of that fact to the Members (Notice Date). With effect from the Notice Date the non-elected officers referred to in Rule 8.1(b) shall be deemed to be appointed to the Board.
 5. If the next Annual General Meeting cannot be held within 100 days of the Notice Date, the Credit Union shall call a Special General Meeting (SGM) within such 100 day period. All of the Directors appointed by the Supervisor under Rule 9A.1(a) and who are still in office shall retire with effect from the conclusion of that SGM.
 6. Rules 6, 7.2, 7.3 and 8 shall apply to the election of Trustees at such SGM and those Rules shall be construed, with all necessary modifications, as though they relate to the SGM required to be called under Rule 9A.5.
 7. If the next Annual General Meeting can be held within 100 days of the Notice Date, it shall be held as soon as practicable after the Notice Date but late enough to ensure that the Directors can be elected in accordance with Rules 6, 7.2, 7.3 and 8. At such Annual General Meeting all of the Directors appointed by the Supervisor under Rule 9A.1, and who are still in office, shall retire with effect from the conclusion of the meeting.

Rule 9B: STATUS OF SUPERVISOR AND THE ABILITY TO GIVE DIRECTIONS

1. Upon entry into any Trust Deed, the Supervisor is to be deemed to be a person claiming through the members pursuant to section 112(1) of the Act.
2. Any directions given by the Supervisor to the Trustees and/or the Board under the powers conferred on the Supervisor in the Trust Deed shall be given effect to by the Trustees and each Director and be binding on all members.
3. The Credit Union and the Trustees are authorised to appoint from time to time by deed, in a form to be approved by the board of the Supervisor, each of the Supervisor's officers for the time being severally to be the Credit Union's attorney or attorneys for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as the Board may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the board of the Supervisor, thinks fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him or her.

Rule 10: TRUSTEES

- 10.1 Of the three Trustees, one shall retire by rotation at each Annual Meeting but shall be eligible for re-election unless otherwise ineligible.
- 10.2 If any Trustee resigns or is removed from office, and refuses or neglects to deliver up, assign, or transfer any property of the Credit Union as the Board shall direct, such Trustee shall be expelled from the Credit Union, and cease to have any further claim thereof, without prejudice to any liability to prosecution.
- 10.3 On any office of Trustee becoming vacant because of any reason, the Board shall appoint a replacement Trustee to act until the next election of officers.
- 10.4 A Trustee shall not be nor become a borrower from the Credit Union.
- 10.5 A Trustee shall not be nor become a guarantor for a loan from the Credit Union.
- 10.6 The duties of the Trustees shall be:
 - a) To hold vested in them all property belonging to the Credit Union but for the use and benefit of the Credit Union and the members thereof and all persons claiming through such members according to these Rules.

- b) With the consent of the Board to invest the surplus funds of the Credit Union or any part thereof in accordance with the powers of investment of this Credit Union.
- c) To act as the Loans Committee for the Credit Union but may delegate this role to the Chief Executive Officer and Treasurer.
- d) Within 14 days after the appointment of any new Trustee a copy of the resolution thereof shall be sent to the Registrar signed by such Trustee and the Chief Executive Officer.
- e) The Trustees shall cause to be opened with one or more banks, such banking accounts in the name of the Credit Union as are necessary for conducting the business of the Credit Union. All cheques drawn on any account or accounts and all drafts, bills of exchange, promissory notes and other negotiable instruments for and on behalf of the Credit Union shall be signed in such manner as authorised by the Trustees.
- f) To otherwise act in accordance with the Rules and Trust Deed.

Rule 11: CHIEF EXECUTIVE OFFICER

The duties of a Chief Executive Officer shall include:

- 11.1 To act as Secretary of the Credit Union.
- 11.2 To ensure that an accurate recording of minutes of meetings is maintained.
- 11.3 Give notice of all meetings, and
- 11.4 Serve as Chief Executive Officer of the Credit Union.
- 11.5 The Chief Executive Officer shall not be nor become a borrower from the Credit Union.
- 11.6 The Chief Executive Officer shall not be nor become a guarantor for a loan from the Credit Union.

Rule 11A: TREASURER

The duties of the Treasurer shall include:

- 11A.1 To act as Treasurer of the Credit Union.

11A.2 To monitor and regularly report on the financial position and performance of the Credit Union to the Board.

11A.3 The Treasurer shall not be nor become a borrower from the Credit Union.

11A.4 The Treasurer shall not be nor become a guarantor for a loan from the Credit Union.

Rule 12: MAKING, ALTERING OR RESCINDING RULES

12.1 These rules may be amended by the members at a General Meeting of the Credit Union by a Special Resolution in terms of Section 82 of the Act. Notice of proposed changes shall be given in accordance with Rule 6.3.

12.2 Amendments to rules approved at any general meeting are not valid nor applicable until registration has been completed by the Registrar.

Rule 13: FINANCIAL YEAR

The financial year of the Credit Union shall end on 30 June each year.

Rule 14: MANAGEMENT OF FUND

14.1 : The Board shall be responsible for the governance of the Credit Union with all necessary powers required to carry out that role.

14.2 The Board may delegate to the Chief Executive Officer or other officers employed, such of the duties of administration of the Credit Union as the Board shall decide.

14.3 The appointment or termination of appointment of an executive employee of the Credit Union may be carried out by the Board.

14.4 The Board may, within the provisions of the Act, establish bylaws under which special classes or types of share accounts may be established.

14.5 The Board and officers employed are bound by the provisions of the Act.

Rule 14A: FEES AND CHARGES FOR PRODUCTS AND SERVICES

Members' shall pay for products and services provided by the Credit Union:

- (a) Fees, levies, and charges as determined by the Board, provided that such fees, levies, and charges and any changes thereto shall not come into force until such time as they are sent by notice to all members.
- (b) Where the Credit Union incurs a charge from another organisation when acting on a member's behalf, or incurs legal fees associated with the registration of securities or in respect of credit references obtained with the consent of a member, the Credit Union may pass those costs on to the member.

Rule 15: SHARE CAPITAL

- 15.1 The fund shall be divided into as many shares of \$1.00 each, as shall from time to time have been contributed by the members. Members may contribute any sum or sums from time to time authorised by the Act.

The Trustee shall have a lien on the shares of a member for any sums due to the Credit Union by such member or for any loan guaranteed by such member.

- 15.2 Payment for shares, withdrawals, loan repayments and interest shall be evidenced by entries in any accounting method as may be decided by the Board.
- 15.3 Shares shall not be transferable.
- 15.4 Shares may be held jointly. The first named shareholder on the application for membership shall be deemed to be the person to whom the share was allotted and to whom the provisions of the Act will apply.

Rule 15A: SUPERVISION

1. In order to comply with the Financial Markets Conduct Act 2013 and the Financial Markets Conduct Regulations 2014 (and previously the Securities Act 1978 and the Securities Regulations 2009), the Trustees, on the recommendation of the Board, have entered into a trust deed with the Supervisor in a form approved by the Board pursuant to which, amongst other things,:
- (a) the Supervisor covenants to monitor the affairs of the Credit Union for the benefit of members in accordance with the provisions of the Trust Deed;
 - (b) the Trustees, the Board and the Credit Union enter into obligations in favour of the Supervisor relating to the affairs of the Credit Union, including the provision of information on a regular basis, and which may also contain provisions that provide the Supervisor with an

assignment by way of security over the assets of the Credit Union, together with such powers and authorities as the Supervisor might reasonably expect in relation to the enforcement of such security.

Rule 16: WITHDRAWAL OF SHARES

Any contributor may withdraw from the fund at any time, but 60 days' notice of withdrawal may be required.

Rule 17: INVESTMENT OF SURPLUS FUNDS

17.1 In this rule "Surplus Funds" in relation to a Credit Union means funds not immediately required for its purpose.

17.2 The Trustees of the Credit Union may invest its surplus funds in any manner authorised by Section 117 of the Act or any legislative enactment in amendment thereof or substitution thereof and in accordance with the Rules and Trust Deed.

Rule 18: LOANS TO MEMBERS

18.1 No loans shall be made except on written or other documented agreement executed by the member desiring the loan, showing the name of the applicant, and amount of the loan and the terms and conditions of the loan.

18.2 All loans shall be managed and administered under the general supervision of the Chief Executive Officer and the Treasurer.

18.3 Loans shall be made to members only.

18.4 The maximum indebtedness of a member in respect of an unsecured loan (whether wholly secured or, in the case of a loan which is partly secured and partly unsecured, that part which is unsecured) shall at the time the loan is made be an amount not exceeding the limit set by resolution of the Board. The limit set by resolution may not at any time exceed the limitations as set out in the Act.

a) The Credit Union may lend to members on the following securities:

- i. Personal Property security
- ii. Mortgage of an estate in land
- iii. The Surrender Value of policies of life insurance
- iv. Credit Union shares
- v. Mortgage, charge, pledge or deposit of any personal property not hereinbefore specifically mentioned whether tangible or intangible, including debts of every description,

shares or legacies under the estates or will of deceased persons, shares in companies, mortgages or charges whether legal or equitable.

- vi. On personal guarantee of someone other than the borrower.
- vii. Assignment of the members Police Superannuation Scheme account or Government Superannuation Fund account.

Rule 19: ACCOUNTING RECORDS

19.1 The Board shall:

- a) Cause proper accounting records to be kept relating to its transactions, its assets and liabilities; and
- b) Establish and maintain a satisfactory system of control of its accounting records, its cash holdings, and all its receipts and payments; and
- c) In respect of each financial year, cause to be prepared an income and expenditure account which deals with the affairs of the Credit Union for that year, and a balance sheet, for these purposes the provisions of Sections 60 and 61 of the Act shall, as far as they are applicable and with any necessary modification, apply in respect of the Credit Union as if it was a society registered under Part II of the Act.

19.2 The accounts of the Credit Union shall be kept in the form prescribed by the Board.

Rule 20: AUDIT

The Board shall at the end of each financial year arrange for the Annual Accounts to be audited in accordance with the requirements of the Act prior to the presentation to the Annual General Meeting.

Rule 21: APPOINTMENT OF AUDITOR

21.1 The Auditor who must be qualified under the Act shall be deemed to be reappointed as auditor of the Credit Union for the current financial year unless:

- a) A resolution has been passed at an Annual or Special Meeting of the Credit Union appointing another auditor or other auditors or providing expressly that the present auditor shall not be reappointed; or
- b) The auditor has given to the Credit Union notice in writing of unwillingness to be reappointed; or

- c) The auditor is ineligible for appointment as auditor of the Credit Union for the current financial year; or
- d) The auditor has ceased to act as auditor of the Credit Union by reason of death or incapacity.

21.2 In the event that the auditor is ineligible for automatic reappointment in terms of (1) above, a replacement auditor shall be appointed on resolution of an Annual or Special Meeting of the Credit Union.

Rule 22: ANNUAL RETURNS

22.1 Pursuant to the provisions of the Act the Board shall be responsible for filing annual returns with the Registrar.

22.2 On the application of a member or person interested in the funds of this Credit Union, he or she shall be supplied without charge with either:

- a) A copy of the last annual return of the Credit Union, or
- b) A balance sheet or other documents duly audited containing the same particulars relating to the affairs of the Credit Union as are contained in the annual returns.

22.3 Together with every copy of an annual return supplied in accordance with Rule 22.2 above, the Credit Union shall provide a copy of the report of the auditors on the accounts and balance sheet contained in the return or on the balance sheet or document supplied, as the case may require.

Rule 23: INSPECTION OF BOOKS AND ACCOUNTS

23.1 Subject to Rule 23.2, any member or other person having an interest in the funds of the Credit Union may inspect the books and accounts of the Credit Union at all reasonable hours at the registered office or at any place where the books or accounts are kept.

23.2 Unless he is an officer of, or is specially authorised by resolution of the Credit Union so to do, a member or other person having an interest in the funds of the Credit Union shall not have the right to inspect any account of any other member without the written consent of that member.

Rule 24: BALANCE SHEET TO BE AVAILABLE

A copy of the last balance sheet for the time being including the income and expenditure account for the year being including the income and expenditure account for the year to which the balance sheet relates, together with the report of the auditor or auditors, shall be kept available at the office of the Credit Union for inspection, without charge, during ordinary office hours by a member or person interested in its funds.

Rule 25: DISPUTES

- 25.1 Nothing in this Rule 25 shall apply to a dispute involving the Supervisor in its capacity as such.
- 25.2 Every dispute between a member or such person claiming through a member under the rules of the Credit Union or with any officer of the Credit Union shall first be dealt with under the Credit Union's Financial Dispute Resolution process, details of which are available from the Credit Union. If the dispute is not resolved under the Credit Union's Financial Dispute Resolution process it shall be settled by arbitration. One arbitrator is to be appointed by the Board and one by the interested party. If the said arbitrators are unable to agree they shall have power to call on a third party to act as umpire between them and whose decision shall be final. If either party shall neglect or refuse to appoint an arbitrator for the space of 10 days after receipt of notice of the appointment of an arbitrator by the other party such last named arbitrator may make a final decision alone and the decision so made under this rule shall be binding and conclusive on all parties without appeal and shall not be removable into any Court of Law or restrainable by injunction but an application for an enforcement thereof may be made to any District Court or of any other Court of competent jurisdiction.

Rule 26: CLAIMS UNDER DECEASED ESTATES OR INSOLVENCY

- 26.1 The general withdrawal rules as set out in Rules 5.6.1 and 16 shall apply.
- 26.2 In the case of a claim under a deceased estate the claimant shall forward to the Secretary a Certificate of Death under the hand of the Registrar of Births and Deaths together with such other information as defined in the Act as may be required from time to time. If the claim is in order it shall be paid.

Rule 27: APPLICATION FOR INSPECTION

- 27.1 It shall be the right of:

- a) One fifth of the members if the number of members does not exceed 1,000; or
- b) Two hundred members if the number of members exceeds 1,000 by application in writing to the Registrar, pursuant to Section 89 of the Act:
 - i. To apply for the appointment of one or more inspectors to examine into the affairs of the Credit Union to report thereon, or
 - ii. To apply for the calling of a Special Meeting of the Credit Union, or
 - iii. To apply for an investigation into the affairs of the Credit Union with a view to the dissolution thereof.

Rule 28: DISSOLUTION

This Credit Union may be dissolved by:

- 28.1 Special Resolution setting out the date, time and conditions of the dissolution at which 75% of its members testify by their signature to the Instrument of Dissolution.
- 28.2 All assets remaining after payment of all debts, repayment of share capital and discharge of other liabilities.
 - a) To be transferred to another Credit Union or Association of Credit Unions; or
 - b) If not so transferred, to be applied to charitable purposes.
- 28.3 Share capital standing to the credit of members at the date of dissolution shall be paid to the members only after the Board is satisfied as to the Credit Union's solvency.
- 28.4 The Credit Union may by special resolution transfer its assets, holdings and liabilities to another Credit Union.

Rule 29: NOMINATION OF SHARES

A member of the Credit Union may, by writing under his hand delivered at or sent to the registered office of the Credit Union, or made in a register kept at that office, nominate a person or persons to receive any shares that the member may have in the Credit Union on the death of the member or any sum of money payable by the Credit Union at that time in accordance with Section 142 of the Act.

Rule 30: REGISTER OF MEMBERS

A register of members of the Credit Union shall be kept in accordance with Section 130 of the Act and the Financial Markets Conduct Act 2013.

Rule 31: THE ACT

These rules are to be read in conjunction with the Act. In the event of conflict between the rules and the Act then the Act shall apply. In the event of a dispute in the interpretation of a section or subsection or any part of the Act then Rule 25 on disputes shall apply.