



Notice in relation to board of Wairarapa Building Society 29 May 2023

Wairarapa Building Society (WBS) is registered as a building society under the Building Society Act 1965 (Act). It is governed by the Wairarapa Building Society Rules as approved by special resolution on 12 March 2008 (the Rules).

Under its Rules, WBS is required to have seven directors. However, since 28 August 2020, WBS has been operating with only six directors (apart from a period between July 2022 and February 2023 when the number of directors dropped to 5). The Rules enable WBS to operate for a period of six months without seven directors. After that period, the only power the board has is to convene a meeting for the sole purpose of electing new directors.

Being comfortable that six directors was appropriate and sufficient, in February 2021, WBS directors attempted to amend the Rules by a special resolution of members so that WBS required only five directors to operate. This was to allow the board to operate generally with six directors and temporarily with five if one should resign and need to be replaced.

A special general meeting was called and held and the resolution was minuted as passed. However, WBS has now determined that that the notice of special general meeting that was provided to members was not given in accordance with the Rules (it did not specify that a special resolution was to be proposed) and, accordingly, the change to the Rules did not take effect.

Both the Act and the Rules provide protections for third parties dealing with WBS despite an issue with the constitution of the board. For this reason, and generally, the board of WBS does not believe deposit holders or members have been adversely impacted by this issue. However, on receiving legal advice on the defective notice, WBS stopped taking deposits until this information was published on the Disclose register.

29 May 2023