



Rules of Wairarapa Building Society

25th July 2025



Incorporating changes as Adopted by Special Resolution on 25th July 2025.

Signed by:

Kristy McDonald ONZM KC

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Director
Wairarapa Building Society

Secretary
Wairarapa Building Society

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1. Introduction

- 1.1 Name:** The name of the Society is Wairarapa Building Society also known as “WBS”.
- 1.2 Address:** The Society’s registered office is at 125 Queen Street, Masterton.
- 1.3 Requirement for the Rules:** These Rules are required in accordance with the Building Societies Act 1965 and they set out how the Society is constituted, governed and how it operates.
- 1.4 Commitment:** These Rules are binding on the Society and its Members.
- 1.5 Alteration to Rules:** Except as otherwise provided, the Society may later change or revoke these Rules by Special Resolution at any time.
- 1.6 When Rules take effect:** These Rules come into force at the time of registration and replace any rules that were in place before then.
- 1.7 Purposes:** The Society’s purposes are to:
- (a) primarily provide banking and other financial services to its Members;
 - (b) secondly support the communities in which it operates; and
 - (c) thirdly provide any other services to its Members that the Board may decide are reasonable and appropriate.
- 1.8 Functions and Powers:** The Society has the functions and powers as set out in the Act.
- 1.9 Borrowing Powers:** The Society may borrow money on such terms and conditions as the Board may from time to time think fit. The Society may secure the payment of money and the performance of any other obligation of the Society in such manner as the Board may from time to time think fit. Rules 6.7, 6.8 and 6.10 shall apply with due alteration to details to depositors and deposits as the same apply to members holding shares and to shares.
- 1.10 Raising of funds and managing risk:** The Society shall raise its funds by the issue of shares in accordance with Part 4: Shares and by the exercise of its borrowing powers set out in Rule 1.9. The Society may issue and acquire and enter into any financial instruments not prohibited by the Act in connection with its business intermediating between savers and borrowers and managing its risks in that business and the financial risks of customers.
- 1.11 Advances:** The Society may make advances to any person or persons at any time upon such terms and conditions and upon such security (if any) as shall be determined from time to time by the Board. In respect of existing mortgage advances the following provisions shall apply where the mortgage document refers to the provisions of the Rules:
- (a) **Redemption of Mortgage**
If a mortgagor wishes to repay the whole or any part of a mortgage advance before the time agreed, the mortgagor may do so and, in the case of repayment in full, the mortgagor shall pay to the Society all sums owing in respect of such advance by way of principal, interest, fines, penalties, costs and expenses, together with the Society’s expenses connected with such repayment. Where however, such repayment in full or in part is made, the Board may require the mortgagor to pay, in addition and whether or not notice has been given of the intended repayment, a sum not exceeding an amount equal to three months interest, at the rate applicable to the mortgage at the date of such repayment, on the amount of the advance repaid.
 - (b) **Fines and Penalties for Arrears**
When in default as defined by a mortgage agreement and that agreement refers to the levying of fines or penalties in terms of the Rules, the fines or penalties to

be levied shall be calculated so as to result in charging the mortgagor a sum equivalent to the difference between the interest rate at that time for the mortgage and the Society's penalty interest rate.

For the purposes of this sub-clause the Society's penalty interest rate is defined as the higher interest rate commonly charged by the Society for like mortgages in arrears.

(c) **Fees**

The Society shall be entitled to charge such release fees, administration fees and other fees as the Board considers to be fair and reasonable.

(d) **Lien**

When a person executes a mortgage in favour of the Society, the Society shall have a first and paramount lien upon all monies in respect of shares, deposits or other monies standing to the credit of such person. In respect of any sum due and owing under such mortgage, the Society may at any time appropriate and use any such share monies, deposits and other monies for the credit or in reduction of the mortgage and thereafter no dividend shall be payable upon any money so appropriated. Such appropriation shall be deemed to be a full and sufficient discharge by such person to the Society in respect of monies so appropriated.

1.12 Profits and losses: Profits and losses of the Society shall be calculated in the manner required by NZ GAAP or in such other way as is determined by the Board.

Important Notice

The summary information provided at the start of some sections in these Rules is intended to assist in the understanding and navigation of the Rules. These summaries **do not** form part of the Rules of the Wairarapa Building Society.

Refer to the full text of the Rules in each section for authoritative guidance. The summaries are intended as an explanatory overview and should not be relied upon as a substitute for the detailed provisions and legal requirements contained in the complete Rules.

2. Definitions and Interpretation

2.1 Definitions: In these Rules, unless the context otherwise requires:

"the Act" means the Building Societies Act 1965 (including any Regulation by Order in Council made under that Act);

"the Board" means the Board of Directors of the Society;

"Capital share" has the meaning given in Part 4: Shares;

"Chief Executive" means the officer appointed by the Board to be the Chief Executive of the Society or other person authorised by the Board to act as their deputy;

"Deposit" is monies invested with the Society on a call or term basis and held in the name of the account owner (client) whereby the client's accountant is also an authorised signatory and able to operate severally on the client's account.

"Director" means a member of the Board and includes Executive Director except where the Rules state to the contrary;

"equity amount" means at any time the sum of reserves at that time plus the aggregate of the paid-up subscription amounts in respect of Capital shares;

"equity surplus" means at any time the total of the reserves and other amounts which would be available to distribute as surplus on winding up or dissolution of the Society, subject to Rule 6.11 (e);

"Executive Director" means a Director appointed by the Board in terms of Rule 5.4;

"first named" means the first named joint holder of a share in the register of members of the Society in respect of the share;

"financial year" means the twelve months ending on the 31st March in any year or such other period ending on such other date in any year as the Board shall from time to time determine;

"member" means a member of the Society. A member of the Society is any person who holds a share in the Society;

"Preference share" has the meaning given in Part 4: Shares;

"Redeemable share" has the meaning given in Part 4: Shares;

"registered address" means the address currently shown in the records constituting the register of members maintained pursuant to the Act;

"relevant books closing date" means a date which may be fixed by the Directors as the date on which the Society will close its books for the purpose of determining voting entitlements, and, if no such date is fixed, means the day which is 30 days before –

- (i) the notice of an Annual General Meeting or a Special General Meeting is given; or
- (ii) a date on which voting papers are posted to members entitled to vote in accordance with the Rules as the case may be;

"representative" means a person authorised by resolution of the directors or other governing body of a body corporate or unincorporated body to represent it;

"Rules" means the rules of the Society from time to time in force;

"Redeemable Saver share" has the meaning given in Part 4: Shares;

"Secretary" means the officer appointed by the Board to be the Secretary of the Society or other person authorised by the Board to act as their deputy;

"Redeemable Senior share" has the meaning given in Part 4: Shares;

"Society" means the "Wairarapa Building Society";

"special resolution" in relation to a resolution passed, has the meaning assigned to it by the Act; and, in relation to a resolution proposed or to be proposed, means a resolution which will not be effective unless it is passed by not less than 75% of the number of members qualified to vote and voting and together holding not less than 2/3rds of the number of shares held by members voting on the resolution;

"WBS home area" means the Wairarapa (comprising the areas governed by the Masterton, Carterton and South Wairarapa District Council) and including any other geographical region designated by the Board as part of the home area:

- (a) being an area in which WBS conducts at least 20% of its lending business, or sources 20% of its Redeemable Saver share investment; and
- (b) not incorporating any of the area of greater Auckland, Wellington, Christchurch or Dunedin.

"WBS Trust" means the charitable trust called the WBS Charitable Trust created by a Deed dated 4th February 2008;

2.2 Interpretation: In these Rules, unless the context otherwise requires:

- (a) words importing the singular number include the plural number and vice versa and the one gender includes the other genders.
- (b) reference to a person includes a body corporate.
- (c) a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations that have been substituted for that enactment or those regulations.
- (d) "dividend" includes interest and bonus.
- (e) "mortgage" includes a charge.
- (f) "share" includes a fraction of a share.

3. Membership

This section outlines the rules regarding membership in the Wairarapa Building Society. It sets out how individuals become and cease to be members, certain rights and responsibilities of members.

Summary:

- Every person who holds a share is a member of the Society and all members are bound by these Rules.
- Two or more individuals can jointly be members.
- The Board can cancel and refund any share.
- Specific rules apply to the transfer of shares and in circumstances where a member dies or becomes bankrupt.

- 3.1 Every person who holds a share is a member of the Society. No instrument or security issued by the Society is a share in the Society if it is not expressly called a share in its terms of issue.
- 3.2 Each member and all persons claiming through the member or on their account under these Rules is bound by the Rules.
- 3.3 The Board may either refuse to issue any share to any person or refuse to accept any person as a member.
- 3.4 Two or more persons may jointly be members. In this situation the joint members can choose the order in which they are named in the register of members of the Society. The person named first in the register shall receive notices or communications from the Society.
- 3.5 A member shall cease to be a member on ceasing to hold a share in the Society. On the death of a member the membership shall cease and Rule 3.7 shall apply.
- 3.6 The Board may at any time refund any share to any person holding it and cancel the share. In this case, the amount refunded shall be the amount paid for the share plus:
- (a) on a call account, all interest accrued to the date of refund; or
 - (b) on a term investment, all interest that would otherwise have accrued to the end of the term of the term investment.
 - (c) on a Capital share, all accrued dividends plus the proportion of the equity surplus that would be distributable to the holder of the Capital share if a winding up had occurred on the date of the most recent published financial statements, according to the values attributed to assets and liabilities in those statements.
- All interest paid in accordance with (a) or (b) will be paid net of any withholding tax, if applicable.
- 3.7 Subject to the terms of issue:
- (a) any member may transfer all or any part of their shares by instrument in writing in any usual or common form signed by the transferor and the transferee or any other form which the Board may approve.
 - (b) the Board may, at its absolute discretion and without giving any reason, refuse to register any transfer of shares, or attach any condition to its approval of the transfer.
 - (c) If, on the death of a member the Board does not elect to refund the amount payable to redeem a senior share held by that member it shall be deemed to

have consented to the conversion of the senior share to a Redeemable Saver share as from the date of cessation of membership on death and the deceased member's successor shall be the member.

- 3.8** If a member of the Society is adjudicated bankrupt or a liquidator is appointed in respect of a member on the grounds of insolvency, any person becoming entitled to the shares of that member as a result of the bankruptcy or liquidation may, upon producing such evidence as the directors of the Society consider sufficient, be registered as a member or may transfer the shares of that bankrupt or liquidated member.
- 3.9** If a member of the Society dies, the executor or administrator of the deceased member shall be the only person recognised by the Society as having any title to or interest in that member's shares.
- 3.10** In the case of the death of any joint member notified in writing to the Society, the surviving joint member or members shall be the only person or persons recognised by the Society as having any title or interest in such shares.
- 3.11** Meetings of members shall be in accordance with Schedule 1 of these Rules.

4. Shares

This section details the rules and conditions regarding the issuance and management of shares in the Wairarapa Building Society. It outlines the different classes of shares, their rights, restrictions, and the processes related to their issuance and redemption.

Summary:

- The Society can issue shares in various classes, each with specific rights and restrictions concerning dividends, voting, and return of capital.
- There are currently three types of shares:
 - Capital shares
 - Redeemable shares
 - Preference shares
- The Board has the authority to set terms and conditions for the issuance, withdrawal, and payment for shares.

Share Type	Description	Ranking	Dividend Rights	Voting Rights	Redemption/Withdrawal	Other Key Characteristics
Capital shares - issued to WBS Charitable Trust	Issued with specific rights and restrictions	Ranks after all other shares in terms of repayment	Entitled to dividends after other shares	1 vote per share but cannot exceed ½ of total votes cast by others	Not redeemable without Board approval, except on winding up	Shares equally with other capital shares in any equity surplus on winding up
Capital shares - other	Issued with specific rights and restrictions	Ranks after all other shares in terms of repayment	Entitled to dividends after other shares	1 vote per 1,000 shares	Not redeemable without Board approval, except on winding up	Shares equally with other capital shares in any equity surplus on winding up
Redeemable Senior shares	Issued on or before 12th March 2008	Senior to all other shares issued after this date	Entitled to dividends as per terms of issue	Voting rights based on holding	Redeemable as per terms of issue	Retains original rights and restrictions
Redeemable Saver shares	Issued after 12th March 2008, excluding senior, preference, and capital shares	Senior to capital shares but junior to senior and preference shares	Entitled to dividends as per terms of issue	No voting rights unless specified otherwise	Redeemable as agreed on subscription	Does not participate in equity surplus
Preference shares	Issued with specific rights and restrictions	Ranks before capital shares but after other classes for payment of dividends and redemption value	Entitled to agreed dividends before other shares	No voting rights	Redeemable according to terms agreed upon issue	Cannot exceed 35% of the equity amount

- 4.1 Subject to these Rules (including Schedule 3), the Society may from time to time issue shares in any classes with such rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and on such terms and conditions, including those relating to withdrawal or surrender of shares and to the manner of payment for shares by members, as are set out in Schedule 3, and otherwise as the Directors may at the time of issue of the shares determine.
- 4.2 As at the date of these Rules, the Society has approved the issuance of three types of shares:
- (a) Capital shares
 - (b) Redeemable shares (comprising Senior and Saver shares), and
 - (c) Preference shares (although no preference shares have been issued as at the date of these Rules).
- 4.3 Capital shares represent equity invested in the Society where, in this context, equity is the residual assets after deducting liabilities. Capital shares may be issued to the WBS Trust without the approval of a resolution of the members. However, Capital shares may only be issued to any other eligible person with the approval of a resolution of members. The terms of issue of Capital shares, as determined by the Directors of the Society, are set out in Schedule 3.
- 4.4 Redeemable shares are shares which the Society can repurchase in the future. They are issued to those persons who make a deposit with the Society in application for call redeemable shares or term redeemable shares (as the case may be). Redeemable shares (whether call redeemable shares or term redeemable shares) are debt securities for the purposes of the Financial Markets Conduct Act 2013. A redeemable share issued under these Rules may either be a Redeemable Senior share or a Redeemable Saver share.
- 4.5 All shares that were outstanding on the 12th March 2008, other than Capital shares were Redeemable Senior shares. The terms of issue of Redeemable Senior shares, as determined by the Directors of the Society, are set out in Schedule 3.
- 4.6 All shares issued after the 12th March 2008, other than Preference shares and Capital shares are Redeemable Saver shares. The terms of issue Redeemable Saver shares, as determined by the Directors of the Society, are set out in Schedule 3.
- 4.7 Preference shares entitle the shareholder to preferred dividends as determined by the Directors of the Society and such dividends rank before dividends payable to Capital shareholders as determined by the Directors of the Society. The terms of issue of Preference shares, as determined by the Directors of the Society, are set out in Schedule 3.
- 4.8 For the avoidance of doubt, a person making a Deposit with the Society is not making an application for either call redeemable shares or term redeemable shares. Accordingly, a person making a Deposit is not issued with redeemable shares in accordance with these Rules.

5. Directors

This section outlines the structure, powers, and responsibilities of the Board of Directors and the management team of the Wairarapa Building Society. It sets out rules in relation to the composition of the Board, the qualifications required for directors, the election and appointment process, and the roles of officers and executives.

Summary:

- The Board of Directors manages the business of the Society and consists of five to nine members, including up to two Executive Directors.
- Directors must be members of the Society and meet specific shareholding qualifications.
- Directors retire by rotation, with at least one-third retiring each year but eligible for re-election.
- The Board can appoint new Directors between Annual General Meetings to fill vacancies and has the authority to appoint a Chair and Deputy Chair.
- Directors appointed by the Board must retire at the next Annual General Meetings and be approved for re-election by both the Charitable Trust and members.
- The Board has the power to delegate its authority to committees and manage the business of the Society.
- There are rules regarding the disqualification of Directors, such as age limits, length of directorship limits and conflict of interest declarations.
- Directors, officers, and servants of the Society are indemnified against liabilities incurred in the course of their duties, except in cases of negligence or breach of trust.

Board of Directors

- 5.1 The business of the Society shall be under the control and management of a Board of Directors consisting of not more than nine (9) nor less than five (5) persons (not including any Executive Director). All must be members of the Society at the time they take office and remain members while they hold office.
- 5.2 The quorum necessary for the transaction of business of the Directors may be fixed by the Directors, but if it is not fixed by the Directors the quorum necessary is four. A quorum shall not exist if the number of Executive Directors present is the same as or greater than the number of non-Executive Directors.
- 5.3 In case of an equality of votes on any matter considered by the Board, the Chair of the meeting may exercise a second or casting vote.
- 5.4 In addition to the Directors appointed or elected under Rules 5.24 and 5.28 the Board may appoint up to two Executive Directors. An Executive Director:
 - (a) may be appointed for such period and upon such terms and conditions as the Board shall determine in its absolute discretion;
 - (b) shall not while holding office be subject to retirement by rotation or be taken into account in determining the rotation or retirement of the elected Directors;
 - (c) may exercise the powers given to the elected Directors under these Rules but subject to such restrictions, conditions or restraints as the Board may from time to time in its absolute discretion determine;

- (d) shall not be required to hold the qualifying shares required by Rule 5.12;
- (e) shall resign from the office of Executive Director immediately if they cease to be an employee of the Society;

Powers and Duties of Directors

- 5.5 The Board has all the powers necessary for managing and for directing and supervising the management of the business and the affairs of the Society and, in particular, the Board may exercise all those powers of the Society that are not, under the Act or these Rules, required to be exercised by the Society in General Meeting.
- 5.6 No Rule made by the Society in General Meeting shall invalidate any prior act of the Board which would have been valid if the Rule had not been made.
- 5.7 The duties of the Directors to the Society shall be as follows:
 - (a) the Directors, when exercising powers or performing duties, must act in good faith and in, what they believe to be, the best interests of the Society;
 - (b) the Directors must exercise their power for a proper purpose;
 - (c) the Directors must not act, or agree to the Society acting, in a manner that contravenes the Act or these Rules;
 - (d) the Directors must not knowingly:
 - (i) agree to the business of the Society being carried on in a manner likely to create substantial risk of serious loss to the Society's creditors or members; or
 - (ii) cause or allow the business of the Society to be carried on in a manner likely to create a substantial risk of serious loss to the Society's creditors or members;
 - (e) the Directors must not agree to the Society incurring an obligation unless the Directors believe at the time on reasonable grounds that the Society will be able to perform the obligation when it is required to do so;
 - (f) the Directors, when exercising powers or performing duties, must exercise the care, diligence and skill that reasonable Directors would exercise in the same circumstances, taking into account, but without limitation, the nature of the Society, the nature of the decision and the position of the Director, and the nature of the responsibilities undertaken by them.
- 5.8 Subject to Rule 5.9, the Directors, when exercising powers of performing duties, may rely on reports, statements and financial data and other information prepared or supplied, and on professional or expert advice given by any of the following persons:
 - (a) an employee whom the Directors believe on reasonable grounds to be reliable and competent in relation to the matters concerned;
 - (b) a professional advisor or expert in relation to matters which the Directors believe on reasonable grounds to be within the person's professional or expert competence;
 - (c) any other Director or committee of Directors in relation to matters within the Director's or committee's designated authority.
- 5.9 Rule 5.8 applies to the Directors only if the Directors:
 - (a) act in good faith; and
 - (b) make proper enquiry where the need for enquiry is indicated by the circumstances; and
 - (c) have no knowledge that such reliance is unwarranted.

- 5.10 A Director who has information in their capacity as a Director or employee, being information that would not otherwise be available to them, must not disclose that information to any person or make use of or act on the information except:
- (i) for the purposes of the Society; or
 - (ii) as required by law; or
 - (iii) in accordance with Rule 5.11.
- 5.11 A Director may disclose, make use of, or act on the information described in Rule 5.10 if:
- (i) particulars of the disclosure, use, or the act in question are entered in the interests register; and
 - (ii) the Director is first authorised to do so by the Board; and
 - (iii) the disclosure, use, or act in question will not, or will not be likely to, prejudice the Society.

Qualification of Directors

- 5.12 The share qualification for a Director shall be a holding in their own right of shares, other than preference shares, having an issue price of not less than One Thousand Dollars at the time they are appointed and at all times thereafter while they remain a Director.
- 5.13 However, apart from Executive Directors, no person may become or remain a Director who is also an employee of the Society.
- 5.14 The legitimacy of any action of the Board shall not be impacted because of participation by a Director found to be disqualified under Rules 5.12 and 5.13.

Nomination of Directors

- 5.15 No person shall be eligible for election or re-election as a Director, unless duly qualified as provided in Rules 5.12 and 5.13.
- 5.16 Except in the case of appointment under Rule 5.24 or an existing Director standing for re-election, each nominee for appointment as a Director must be nominated:
- (a) by the Board; or
 - (b) by not less than two members having a right to vote; or
 - (c) by the WBS Trust.
- 5.17 No nomination for election or appointment as a Director shall be valid if the nominee has not been identified to the WBS Trust, by the intending nominators, at least 30 days before the closing date for nominations to enable the WBS Trust to complete its preliminary evaluation and report procedures in good time before nominations close in accordance with any applicable rules of the Trust. The Trust may impose a reasonable cost recovery fee on its acceptance of such preliminary notice, refundable to candidates who proceed and receive at least one half of the number of votes received by the lowest polling successful candidate.
- 5.18 Each nomination must be delivered at the Registered Office of the Society:
- (a) not fewer than 42 clear days preceding the Annual General Meeting at which the vacancy in respect of which they are nominated is to occur; or
 - (b) with a requisition under clause 3 of Schedule 1 for a Special General Meeting to elect them as Director.

The nomination form shall contain the full name, address and occupation of the member nominated and the member's written consent to be so nominated and in the

case of a nomination under Rule 5.16 (b) the full names and addresses of the members proposing their nomination.

- 5.19 At least fourteen clear days prior to the meeting at which the election result is to be announced, the Society shall give to all members who are entitled in accordance with clause 4 of Schedule 1 to receive notices of General Meetings (with the voting papers under Rule 5.29 if there is a contest):
- (a) notice of every nomination for the office of Director;
 - (b) a copy of any summary report of evaluation of the nominee under provisions for that purpose in the Trust Deed of the WBS Trust.
- 5.20 Failure to comply with Rule 5.19 shall not invalidate an election process, but if it is substantial the Scrutineer appointed under Rule 5.29 may extend and vary the election process as they see fit to remedy the consequences of the non-compliance.

Vacation of Office and Disqualification

- 5.21 The following persons are disqualified from being appointed or holding office as a Director:
- (a) a person who is under 18 years of age;
 - (b) a person who is an undischarged bankrupt;
 - (c) a person who is prohibited from being a director, officer, or promoter of or being concerned or taking part in the management of a company pursuant to any legislation;
 - (d) a person who is subject to a property order made under section 30 or section 31 of the Protection of Personal and Property Rights Act 1988;
 - (e) full-time employees of the Society other than persons appointed as Executive Directors.
- 5.22 A Director shall cease to hold office –
- (a) if the Director resigns by notice in writing to the Secretary;
 - (b) if the Director ceases to qualify under Rule 5.12 or 5.13;
 - (c) if for more than three consecutive months the Director is absent without permission of the Board from meetings of the Board held during that period and the Board passes a resolution that the Director shall vacate office;
 - (d) upon a resolution of which notice has been given under clause 4 of Schedule 1 that they shall cease to be a Director passed by a majority of votes cast on a poll at a General Meeting;
 - (e) if, at the end of the Annual General Meeting at which the Director is required to retire in accordance with Rule 5.27, the director is not re-elected.
- 5.23 The Secretary shall give at least fourteen clear days' notice in writing to all Directors of a meeting of the Board at which it is intended to move a resolution that a Director shall vacate office.

Filling of Vacancies outside of Annual General Meetings

- 5.24 The Board shall have the power outside of an Annual General Meeting to appoint a person to be a Director to fill a vacancy.
- 5.25 If the Board resolves to increase the number of persons constituting the Board within the limitations of Rule 5.1, the Board may at the same time appoint additional Directors to fill any vacancy thereby created.
- 5.26 Even where there are vacancies on the Board, the remaining Directors may continue to act. If at any time the number of Directors falls below the minimum of five prescribed by Rule 5.1, the Board so constituted may act by a majority of its members for a maximum period of six months but, if at the end of that period the Board has not appointed, or the Society has not elected additional Directors to make up such minimum, the only power which the Board may exercise until the minimum is satisfied shall be the convening of a Special General Meeting for the sole purpose of electing additional Directors.

Retirement by Rotation

- 5.27 At every Annual General Meeting at least one third of the Directors and if their number is not a multiple of three then the number nearest to one third shall retire from office. In determining the Directors who are to retire in each year the following provisions shall apply:
- (a) any Director or Directors who during the year immediately preceding such Annual General Meeting has or have been appointed by the Board pursuant to Rule 5.24 shall retire from office;
 - (b) after allowing for the Director or Directors, if any, to retire under sub-clause 5.27 (a) of this Rule the other Director or Directors to retire in each year shall be the Director or Directors who has or have been longest in office. As between two or more Directors who have been in office an equal length of time those to retire shall, failing agreement between them, be determined by the Board by lot. The length of time a Director has been in office shall be computed from their last election by an Annual General Meeting or Special General Meeting;
 - (c) a retiring Director under these Rules shall be eligible for re-election and shall retain office until the conclusion of the Annual General Meeting at which they retire;
 - (d) notice of eligibility for re-election of any Director retiring under this Rule or Rule 5.24 shall, at least fourteen clear days prior to the meeting at which the election is to take place, be given by the Society to all members who are entitled in accordance with the provisions of clause 4 of Schedule 1 to receive notices of General Meetings.

Election of Directors

- 5.28 If valid nominations before an Annual General Meeting show that there is no contest for the office of Director, any retiring Director standing for re-election shall be deemed to have been re-elected, unless a resolution of which notice has been given under clause 4 of Schedule 1 that they shall cease to be a Director shall be passed by a majority of votes cast on a poll.
- 5.29 If there is a contest for the office of Director a poll shall be taken in the following manner:
- (a) The Board shall appoint a Scrutineer. All voting papers shall be addressed to an address approved by the Scrutineer. No Director, or candidate for the office of Director, nor any employee of the Society shall be appointed as Scrutineer.

- (b) The Scrutineer appointed by the Board may employ such staff as are required for the purposes of discharging the responsibilities of the Scrutineer.
- (c) Printed voting papers shall be prepared which shall contain the names of all candidates in alphabetical order by surname.
- (d) Not fewer than fourteen days before the day of the Annual General Meeting a voting paper shall be posted to each member entitled to vote. The papers to be distributed under Rule 5.19 may accompany the voting paper.
- (e) The member shall strike out the name(s) of those candidates for whom they do not vote so as to leave uncanceled on the voting paper the names of not more candidates than there are persons to be elected.
- (f) The member shall record where indicated on the voting paper the member name and member number of the shareholder plus the name and signature of the person completing the voting paper and return the completed voting paper in the envelope provided in time to reach the Scrutineer not later than 5pm on the business day 2 clear days before the time of the Annual General Meeting.
- (g) The Scrutineer shall open, examine and count the voting papers and shall return the names of all candidates with the number of valid votes each has received to the Chair of the Annual General Meeting (even though the usual quorum is not met) who shall then announce the candidates who received the highest number of votes in relation to the number of vacancies to be filled.
- (h) Every member having a right to vote shall have the votes conferred under clause 8.1 of Schedule 1.

Appointment of Chair and Deputy Chair

- 5.30 At its first meeting after every Annual General Meeting the Board shall elect from its number a Chair and Deputy Chair who shall hold office until the commencement of the first meeting of the Board held after the next Annual General Meeting unless they resign or cease in the meantime to be a Director or unless in the meantime a resolution is passed at a meeting of the Board by at least a majority of the members of the full Board that they will vacate their office. The Chair shall preside at all meetings of the Board at which they are present and in the absence of the Chair, the Deputy Chair shall act as Chair.
- 5.31 If the Chair and Deputy-Chair so elected shall be absent from the meeting of the Board or shall both decline to act as Chair, the Directors present at that meeting of the Board shall elect a Director to be Chair for the purposes of that meeting.
- 5.32 The Board shall fill from its number any casual vacancy in the office of Chair or Deputy Chair and a Chair or Deputy Chair so elected shall, subject to the provisions of Rule 5.30, hold office until the commencement of the first meeting of the Board held after the next Annual General Meeting unless they cease in the meantime to be a Director.

Meetings of Directors

- 5.33 Meetings of Directors shall be conducted in the manner set out in Schedule 2 to these Rules.

Validity of Acts

- 5.34 All acts done by the Board, or any committee or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the constitution of the Board or in the election or appointment of the Board or committee or person or that they or any of them were disqualified, were deemed to have vacated office, or did not hold the necessary qualification to be a director, be as valid as if the

Board or committee had been properly constituted and as if every person had been duly elected or appointed and, where appropriate, was qualified and had been a Director.

Remuneration and Expenses of Directors

- 5.35 The remuneration of the Directors shall from time to time be determined by the Society in General Meeting and failing such determination at any General Meeting shall remain at the remuneration last determined. The remuneration shall be deemed to accrue from day to day and shall be divided amongst the Directors in such manner as the Board shall from time to time determine and in default of such determination shall be divided equally between them.
- 5.36 In addition to such remuneration, any Director may be paid such reasonable travelling, hotel and other expenses as they may incur in attending meetings of the Board or General Meetings, or which the Director may otherwise properly incur with the approval of the Board in or about the business of the Society. The Director may also with the sanction of a resolution of the Board, be paid fees for professional or other services or work done by them on behalf of the Society in addition to their usual services as a Director.

Office of Profit

- 5.37 Other than Executive Directors, a Director may not hold any office or employment with the Society in conjunction with the office of Director. A Director, notwithstanding their interest, may be counted in the quorum present at any meeting at which they or any other Director is appointed to hold any such office or place of profit with the Society or at which the terms of any such appointment are arranged, and they may vote on any such appointment or arrangement other than their own appointment or in relation to the terms of their own appointment.

Interest in Contracts

- 5.38 Every Director who is in any way, directly or indirectly, interested in a contract or proposed contract with the Society shall declare the nature of their interest to the Board. In the case of a proposed contract, the declaration shall be made at the meeting at which the question of entering into the contract is considered, or, if the Director was not at that date interested in the proposed contract, at the next meeting held after they become interested in the proposed contract. Where the Director becomes interested in the contract with the Society after it is made, such declaration shall be made at the first meeting after they become interested.
- 5.39 A declaration by a Director that they are a member of a company or firm and is to be regarded as interested in any contract that may thereafter be made with that company or firm shall be a sufficient declaration of interest in relation to any such contract.
- 5.40 A Director cannot vote in relation to any contract, arrangement or dealing, or proposal in which they are interested (directly or indirectly). If they do vote their vote shall not be counted. Also, they will not be included in the count for a quorum when such a matter is being considered. Nothing in this Rule shall prevent a Director from voting on matters relating to the general operation of the Society, including the setting of interest rates, despite the Director's interest as a shareholder, depositor, borrower or other category of client of the Society.

Appointment of Officers and Employees/Committees

- 5.41 The Board may appoint and, subject to the provisions of any contract or other instrument, terminate the appointment of a Secretary, Chief Executive, or Head of Function who, in addition to the directors shall be the officers of the Society and such employees, advisers and agents as the Board may at any time determine. The Board may also by resolution appoint and, subject to the provisions of any contract or other instrument, terminate the appointment of such other officer or officers as it may from time to time determine, provided that the resolution of appointment of any such officer shall also designate them as an officer of the Society. The powers of officers and other persons appointed under this Rule shall be those given to them from time to time by the Board and their duties shall be to comply with the instructions of the Board. The Board may appoint under this Rule more than one person to any office and may require from any officer, employee, advisor or agent, such guarantees as in its judgement shall appear necessary. The Board may pay any officer or other person appointed under this Rule such salaries, wages, commissions, bonuses, compensation for loss of office and other remuneration as it shall consider desirable.
- 5.42 The Board may delegate to such committee of directors and executives as it considers appropriate to undertake functions delegated by the Board and with such powers as the Board considers reasonably necessary to carry out those functions.

Appointment of Attorney

- 5.43 The Board may from time to time by power of attorney appoint any company, firm, person or body of persons to be the attorney of the Society for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under the Rules) and for such a period and subject to such conditions as it may think fit and any such power of attorney may contain such conditions as it may think fit and any such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate any of the powers, authorities and discretions vested in it.

Indemnity of Directors, Officers and Employees

- 5.44 Every Director, officer or employee of the Society shall be indemnified out of the funds and property of the Society against any liability in respect of losses, costs, charges, damages and expenses which may arise from, or in the course of, their duties but not against any such liability which by virtue of any rule of law or the Act, would attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Society. Every Director, officer or employee shall however, be indemnified against any liability incurred by them in defending any proceedings whatever, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted.
- 5.45 The Directors may arrange and the Society will pay for insurance for all liability for any acts or omissions which the Society may lawfully make payment for under Section 107 of the Building Societies Act 1965.

6. Miscellaneous

- 6.1 Reserves:** The Board shall have power to set aside the present or any future or additional surplus profits whether capital or revenue of the Society as a Reserve Fund and to create such other reserve fund or funds in such manner as it shall from time to time think expedient and to retain the same as such or capitalise the whole or any part of the amount for the time being standing to the credit of any reserve fund or to the credit of the appropriation account or otherwise available for distribution and to pay out of any such reserve fund any losses made by the Society or to distribute any such reserve fund or funds or any part or parts thereof amongst such classes of member in such manner and upon such terms and conditions as shall be decided upon by the Board from time to time.
- 6.2 Losses:** If at the end of any financial year the Society shall disclose that the total expenditure exceeds the total income for the year a loss shall be deemed to have been incurred. Any other loss shall be ascertained from the Society's Statement of Financial Position. Unless made up out of the Reserve Funds of the Society losses shall be borne by the shareholders in such proportion as shall be determined by the Board and confirmed at the Annual General Meeting.
- 6.3 Auditors:** The Auditors of the Society shall be appointed and removed in the manner provided in the Act and the amount of the Auditors' remuneration and the manner of remunerating auditors shall be decided from time to time by the Directors.
- 6.4 Seal:** The seal of the Society shall bear the name of the Society and shall otherwise be in such form as the Board may determine. The seal shall be in the custody of such persons as the Board may determine. The seal shall not be used without the authority of the Board and when used or affixed to any document such document shall be counter-signed by a Director and the Secretary or by such other combination or combinations of two or more persons (but so always that at least one of the counter-signatories must be an officer of the Society) as the Board may authorise and documents so sealed and counter-signed shall be deemed to be validly executed by the Society. Deeds and documents required to be executed by the Society under the seal may be executed with the seal.
- 6.5 Custody of documents:** All documents of title, mortgages and other securities belonging to the Society shall be kept in the custody of the officers of the Society either at the Registered Office or at such other place or places as may from time to time be determined by the Board.
- 6.6 Bankers:** The Board shall have power to appoint and revoke the appointment of the bankers of the Society (including any bankers to be employed by any Branch Office of the Society).
- 6.7 Payments:** If any member shall become mentally disordered within the meaning ascribed to those words in the Mental Health (Compulsory Assessment and Treatment) Act 1992, it shall be lawful for the Board, upon being satisfied that any member is so mentally disordered, to authorise payment to the guardian or committee of such member of the same amount as they would be entitled in case of withdrawal; and in the event of there being no guardian or committee of such member the Board may in its absolute discretion authorise payment to such person and on such conditions as it may think proper for the benefit of such member; and the Society shall not be in any manner answerable for the misapplication or non-application of the money so paid.
- 6.8. Non-Recognition of Equitable Interest**
- (a) The Society shall be entitled to treat the registered holder of a share or other security issued by the Society as the absolute owner of that share or other security.
 - (b) The Society may, but need not, except as ordered by a Court of competent jurisdiction or as required by statute, be bound to recognise the equitable or

other claim to or interest in the share on the part of any person other than the WBS Trust.

- (c) A share shall be identified in the register in such a way as to show it as being held in respect of a particular trust only if the Society, in its absolute discretion, chooses to do so.
- (d) Other than in relation to the WBS Trust, recognition by the Society of an equitable interest in a share or other security does not affix the Society with any obligation to enquire into the nature or consequences of the interest and the Society shall be without liability for treating the registered owner as the absolute owner notwithstanding knowledge of the equitable interest.

6.9 Disputes

Any dispute arising between the Society or any person representing the Society and any member or person claiming by through or on account of any member or under these Rules, except any dispute arising under a mortgage instrument or any other contract contained in any document other than the Rules or any dispute as to the rights of any member to obtain the name and addresses from the Register of Members, shall be settled by reference to arbitration in the manner directed by the Act.

6.10 Notices to and by the Society

- (a) Any notice to be given to the Secretary under these Rules must be in writing, addressed to, and received by, the Secretary at the Registered Office, or via electronic means to an email or web address it maintains for the purpose.
- (b) Each notice or communication sent by the Society to a member by post addressed to their registered address, or via electronic means to an email or web address, shall be deemed to have been duly served two clear business days after having been posted or sent electronically.

6.11. Dissolution

- (a) The Society may be dissolved by instrument of dissolution or by winding-up in the manner prescribed by the Act.
- (b) Any sale or disposal by the Board of the Society's main undertaking shall be subject to ratification by the passing of a special resolution of the Society.
- (c) In the event of a surplus of funds on winding-up, such surplus shall be distributed amongst the members of the Society in proportion to the number of shares (other than Redeemable Saver shares or Preference shares) held by them and upon such other terms and conditions as shall be decided by members by the passing of a special resolution of the Society.
- (d) On a dissolution or winding up, or a sale or other disposal of the Society's main undertaking the Board must establish a trust fund to maintain the Society's support of philanthropic purposes in the WBS home area at levels equivalent to that support in the pre-transaction comparison period. For the purposes of this Rule 6.11 (d):
 - (i) 'establish' means to vest in the trustees of the WBS Trust as a separate trust not to be mingled with their then existing trust for charitable purposes an amount equal to 15 times the average annual amount spent by WBS for philanthropic purposes during the comparison period (or such lesser sum as is available having regard to Rule 6.11 (e)). The terms of the trust shall be determined by the Board at the time, but must be as near as may be to the terms of the WBS Charitable Trust, other than in having beneficiaries in the WBS area for whom assistance will be philanthropic but not necessarily charitable;

- (ii) 'comparison period' means the three (3) completed financial years before the dissolution, winding up or disposal;
 - (iii) 'philanthropic purposes' include causes, events and purposes which benefit people and organisations not eligible to benefit from the WBS Trust (that is not charitable under the Charities Act) where the trustees of the trust fund reasonably consider that its support of the activities or benefits to the people or organisations involved delivers additional benefits to the community or part of it that justifies the subsidisation or payment of the costs that would otherwise fall to those persons or organisations, and includes purposes for which the Society has provided commercial sponsorship in the comparison period.
- (e) In calculating for the purposes of Rules 6.11 (c) and (d):
- (i) any surplus of funds on a winding up, or
 - (ii) the amount of any proceeds of sale or other disposal of the Society's main undertaking which the Society may retain for its business or for distribution;

the Board must deduct the amount required to satisfy Rule 6.11 (d) provided that it must be reduced if necessary to an amount that will leave the Society with enough to pay or provide for liabilities in full (including on Redeemable Saver shares) and to repay subscription capital plus interest on redemption of senior shares and to repay the subscription amounts of Capital shares and Preference shares.

- 6.12 Alteration of Rules:** These Rules may be altered or rescinded or added to by passing a resolution as a special resolution and in accordance with the Act. Amendments to these Rules come into force as from the time at which they are registered with the Registrar.

Schedule 1 - Members' Meetings

This Schedule outlines the rules and procedures for conducting meetings of the Wairarapa Building Society members.

Summary:

- Annual General Meetings are held within the first four months of every financial year.
- Special General Meetings can be called by the Board or requested by a specified percentage of members.
- There are special procedures for giving notice of meetings, including the method and timing of notifications. There are also set procedures for the conduct of meetings and voting, including in relation to proxies and representatives.
- There are quorum requirements to ensure there is adequate member representation at meetings.

1. Annual General Meeting

- 1.1 The Society shall in the first four months of every financial year hold a meeting as its Annual General Meeting, in addition to any other meetings held in that year.
- 1.2 The Society shall describe the Annual General Meeting as such in the notices calling it.
- 1.3 The Annual General Meeting shall be held at such time and place as the Directors shall appoint.

2. Special Meetings

- 2.1 All general meetings other than Annual General Meetings shall be called Special General Meetings.
- 2.2 The Board may, whenever it thinks fit, convene a Special General Meeting.

3. Right to Requisition a Meeting

- 3.1 The Board shall convene a Special General Meeting on the requisition of not less than five percent of members of the Society having a right to vote, the right to vote to be determined in accordance with clause 8.1 of this Schedule, with the relevant books closing date to be the date the requisition is received by the Society. The requisition shall state the objects of the meeting and shall be signed by the requisitionists and deposited at the Registered Office of the Society and may consist of several documents in like form each signed by one or more requisitionists.
- 3.2 If the Board does not within twenty-eight days from the date of the deposit of the requisition proceed to duly convene a meeting, the requisitionists may themselves convene a meeting; but any meeting so convened shall not be held after the expiry of three months from the said date.

- 3.3 A meeting convened under this clause 3 of this Schedule by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are convened by the Board.
- 3.4 Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to convene a meeting shall be repaid to the requisitionists by the Society.
- 3.5 The Society, or as the case may require, the requisitionists, shall give to the members of the Society notice of any resolution that the requisitionists propose to move at the meeting, at the same time and in the same manner as notice is given of the meeting.

4. Notice of Meetings

- 4.1 At least fourteen clear days' notice of every General Meeting (whether an Annual General Meeting or a Special General Meeting) specifying the day, hour and place of the meeting shall be given to members as provided in clause 4.2 of this Schedule, but notice shall not be given more than fifty-six days before the date of the meeting. The notice shall specify the nature of any resolution to be moved at the meeting and of the other business to be transacted and shall state that a member entitled to attend and vote is entitled to appoint one proxy who need not be a member of the Society to attend and vote instead of them.
- 4.2 Notice of a meeting shall be given to every member of the Society having a right to vote.
- 4.3 A notice of a meeting shall be given by the Society by:
 - (a) sending it by post or delivering it to the last known postal address of the member or the email address of members who have elected to receive notices in that manner; or
 - (b) subject to the Act by publication in major daily newspapers circulating generally in the WBS home area.
- 4.4 A notice of meeting given in terms of clause 4.3 (a) of this Schedule shall be given by the Society to the persons entitled to a share in consequence of the death or bankruptcy of a member addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by sending the notice through the post or delivery to the registered address of the deceased or bankrupt member.
- 4.5 The accidental omission to send notice of a meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice, shall not invalidate the proceedings at that meeting.

5. Methods of Holding Meetings

- 5.1 A meeting of members may be held either:
 - (a) by being assembled together at the place, date and time appointed for the meeting;
 - (b) subject to clause 6 of this Schedule, by participating in the meeting by means of audio, audio and visual, or electronic communications; or
 - (c) by a combination of both the methods described in subclauses (a) and (b).

6. Member Participation by Electronic Means

- 6.1 For the purposes of this Schedule, a member, or member's proxy or representative, may participate in a meeting by means of audio, audio and visual, or electronic communication if:

- (a) the Board approves those means; and
- (b) the member, proxy or representative complies with any conditions imposed by the Board in relation to the use of those means (including, for example, conditions relating to the identity of the member, proxy, or representative and that person's approval or authentication (including electronic authentication) of the information communicated by electronic means).

7. Procedure at Meetings

- 7.1 No business shall be entertained at any Annual or Special General Meeting unless a quorum is present at the time when the meeting proceeds to business. Ten members of the Society entitled to vote and present in person or accordance with clause 6 of this Schedule shall be a quorum for all purposes at such a meeting (other than a Special General Meeting requisitioned under clause 3 of this Schedule) and, if no quorum shall be present, the meeting shall be adjourned by the Chair of the meeting to such day, hour and place as the Chair shall direct. At any Special General Meeting requisitioned under clause 3 of this Schedule the number of persons required to be present to form a quorum shall represent not less than five percent (5%) of the Society's membership who are eligible to vote. If within half an hour from the time appointed for a Special General Meeting requisitioned under clause 3 of this Schedule, a quorum shall not be present, the meeting shall be dissolved by the Chair of the meeting.
- 7.2 The Chair of the Board, or in the Chair's absence, the Deputy Chair of the Board shall preside at every meeting of the Society. If there is no such Chair or Deputy Chair or if both the Chair and Deputy Chair shall not be present within fifteen minutes after the time appointed for the holding of the meeting or if both the Chair and Deputy Chair are unable or unwilling to act the Directors present shall elect one of their number to be Chair of the meeting. If at any meeting no Director is willing to act as Chair, or if no Director is present within fifteen minutes of the time appointed for holding the meeting, then the members entitled to vote and present shall, if there is a quorum present, choose one of their number to be the Chair of the meeting.
- 7.3 The Chair of the meeting may, notwithstanding the presence of a quorum (and shall, if so directed by a resolution of the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business not reached or left unfinished at the meeting from which the adjournment took place. Every adjourned meeting shall be deemed a continuation of the original meeting and any resolution passed at an adjourned meeting shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
- 7.4 When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting, except it will not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 7.5 The members present at an adjourned meeting and entitled to vote shall be a sufficient quorum.

8. Voting at Meetings

- 8.1 Subject to the terms of issue of shares a member:
 - (a) shall have one vote in total in respect of the member's entire holding of Redeemable shares if the member held such shares to the issue price of Two Hundred Dollars or more in aggregate at the relevant books closing date and

also at the end of the last financial year of the Society before the date of the meeting;

- (b) shall have one vote in respect of each Capital share held at the relevant books closing date, on a poll or special resolution other than as specifically provided or limited in this clause 8.1;
- (c) shall if the member is the WBS Trust:
 - (i) be counted as not casting more votes in total than one half of the valid votes cast by other members on any resolution; and
 - (ii) on any resolution to elect a director may not cast votes in favour of more than one director at an election irrespective of the number of vacancies; and
- (d) shall if the member is not the WBS Trust and holds Capital shares, have one vote in respect of each whole thousand shares of the member's holding of Capital shares.

8.2 At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the Chair; or
- (b) by at least ten members present (in person or in accordance with clause 6 of this Schedule) entitled to vote; or;
- (c) by the WBS Trust.

Unless a poll is so demanded a declaration by the Chair that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Society, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. Except in the case of a motion for a special resolution, the demand for a poll may be withdrawn.

8.3 If a resolution put to the vote of the meeting is a resolution which under the Act will not be effective unless it is passed as a special resolution, a poll shall be deemed to have been demanded by the Chair.

8.4 Except as provided in clause 8.6 of this Schedule, if a poll is duly demanded it shall be taken in such manner as the Chair directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

8.5 In the case of an equality of votes, whether on a show of hands or on a poll, the Chair of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

8.6 A poll demanded on the election of a Chair or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken at such time as the Chair of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

8.7 On a poll at a meeting a member may vote in person, by proxy, by attorney, by representative and in accordance with clause 6 of this Schedule within the limits provided by this clause.

8.8 In the case of a joint holding of shares the vote cast by the first named shall be accepted.

8.9 The holder of a power of attorney from a person who is a member shall, if the power of attorney is duly registered at the Registered Office of the Society and if the power authorises the holder to exercise the rights of the member under these Rules, be

entitled to vote in all circumstances as if the holder were a member (subject to producing, if requested at a meeting, an executed Certificate of Non Revocation).

- 8.10 Any body corporate or unincorporated body which is a member of the Society may vote by its representative authorised in that behalf by resolution of the directors or other governing body. Such a representative shall not be entitled to appoint a proxy, but shall otherwise be entitled to exercise the same powers on behalf of the body corporate or unincorporated body represented as that body corporate or unincorporated body could exercise if it were an individual member of the Society.
- 8.11 The Chair, whether before or after a vote is taken, may request any person at the meeting to provide personal identification and such other evidence as the Chair may reasonably require in order to enable the Chair to determine whether that person is a member or is validly entitled to attend and cast a vote at the meeting on behalf of a member, and if any person fails to comply with any such request the Chair may, at their discretion, disqualify that person from casting a vote or may disallow any vote previously cast by that person on any matter at the meeting.
- 8.12 The right to vote shall be limited to those persons on whom this clause confers the right to vote.

9. Counting of Votes

- 9.1 If on a show of hands or on a poll –
- (a) any votes are counted which ought not to have been counted; or
 - (b) any votes are not counted which ought to have been counted,
- the error shall not invalidate the decision arrived at unless it shall in the opinion of the Chair be of sufficient magnitude so to do.
- 9.2 A special resolution requires the number of votes stipulated in the definition of that term.

10. Appointment of Proxies and Representatives

- 10.1 A member entitled to attend and vote at a meeting of the Society may appoint another person (whether a member or not) as their proxy to attend and vote instead of them and the instrument appointing a proxy shall be in writing and signed by the appointing member in the form set out in clauses 10.3 and 10.4 (as applicable) below.
- 10.2 The instrument appointing a representative of a body corporate or unincorporated body (who need not be a member) shall be in writing and signed. When that body has a Common Seal, the instrument of appointment will be signed under Common Seal.
- 10.3 The instrument appointing a proxy or a representative shall be deposited at the Registered Office of the Society not less than sixty hours before the time for holding the meeting, or adjourned meeting, and in default the instrument shall not be treated as valid.
- (a) A general instrument appointing a proxy shall be in format "A".
 - (b) Where it is desired to afford members an opportunity of voting for or against specific resolutions, an instrument appointing a proxy shall be in format "B".
 - (c) No form of proxy shall be invalid by reason only of its form differing from format "A" or format "B".
- 10.4 The Society shall not issue a form of proxy in which the name or office of the proxy is filled in.
- 10.5 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll but, save as by this paragraph provided, a proxy shall have no right to speak at the meeting.

- 10.6 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in which the proxy was given, provided that no notice in writing of such death, mental disorder, revocation or transfer was received by the Society at its Registered Office before the commencement of the meeting or adjourned meeting at which the proxy was used.

"A" PROXY FORM

To:
The Secretary
Wairarapa Building Society
P O Box 441
MASTERTON

Member Name: I/We _____

Member Number: _____

Address: of _____

_____ being a Member of Wairarapa Building Society hereby appoint:

Full Name of Proxy: _____

Address: of _____

_____ or in the absence of him/her

Full Name of
Alternative Proxy: _____

Address of
Alternative Proxy: of _____ as

my/our proxy to vote on my/our behalf at the meeting of the Society
held on the

_____ day of _____ 20____ and any
adjournment

thereof.

Signed by: _____

Signature: _____ Date: _____

Notes:

1. To be valid this proxy form must be completed and deposited at the Registered Office of the Society (125 Queen Street, Masterton) not fewer than 2 clear business days before the meeting.
2. Any Member of the Society entitled to attend and vote is entitled to appoint a proxy. A proxy need not be a Member of the Society.
3. The Chair is willing to act as proxy for any member wishing to appoint him/her.
4. Unless directed to the contrary a proxy will vote as he/she thinks fit.

"B" PROXY FORM

To:
The Secretary
Wairarapa Building Society
P O Box 441
MASTERTON

Member Name: I/We _____

Member Number: _____

Address: of _____

_____ being a Member of Wairarapa Building Society hereby appoint:

Full Name of Proxy: _____

Address: of _____

_____ or in the absence of him/her

Full Name of
Alternative Proxy: _____

Address of
Alternative Proxy: of _____ as

my/our proxy to vote on my/our behalf at the meeting of the Society

held on the

_____ day of _____ 20____ and any

adjournment

thereof.

Should you wish to direct your proxy on whether to vote in favour or against a resolution please indicate your direction with a (✓) in the appropriate boxes below.

Resolution	For	Against

Signed by: _____

Signature: _____ Date: _____

Notes:

1. To be valid this proxy form must be completed and deposited at the Registered Office of the Society (125 Queen Street, Masterton) not fewer than 2 clear business days before the meeting.
2. Any Member of the Society entitled to attend and vote is entitled to appoint a proxy. A proxy need not be a Member of the Society.
3. The Chair is willing to act as proxy for any member wishing to appoint him/her.
4. Unless directed to the contrary a proxy will vote as he/she thinks fit.

Schedule 2 – Directors’ Meetings

This Schedule outlines the rules and procedures for conducting meetings of the Wairarapa Building Society Board.

Meetings are held regularly, and special meetings can be called by the chair of the Board (and by other directors in some circumstances).

Directors can sign written resolutions which have the same effect as if they were passed at a Board Meeting.

1. Convening Meeting

- 1.1 The Board shall meet for the dispatch of business as often as the Board may consider necessary. The Secretary shall convene a special meeting of the Board upon the direction in writing of the Chair or of any two other Directors and if the Secretary fails to do so, the Chair or such other two Directors as the case may be, may convene the meeting. The Secretary may at any time at their own instance convene a special meeting of the Board. Two clear days’ notice of any meeting of the Board shall be given in writing to each Director and, where appropriate, to the Secretary, and notice of any special meeting shall specify the business to be transacted at the meeting. It shall not be necessary to give notice of a meeting of the Board to any Director for the time being absent from New Zealand. A meeting will be deemed to be validly called without the period of notice referred to above if notice has been waived by all the Directors for the time being entitled to receive notice of any meeting.

2. Written Resolutions

- 2.1 A resolution in writing signed by all members of the Board, entitled to receive notice of meetings of Directors under clause 1.1 of this Schedule shall be as valid and effectual as if it had been passed at a meeting of the Board duly called, and held and constituted. Any such resolution may consist of several documents in like form, each signed by one or more members of the Board.

3. Methods of Holding Virtual Meetings

- 3.1 A Board meeting may consist of a conference between Directors, together with either the Secretary or the Chief Executive, some or all of whom are in different places, provided that each Director and Secretary or Chief Executive, may participate in the business of the meeting whether directly, by telephone, or by other electronic means, which enables them:
- (a) to hear each of the other participating Directors addressing the meeting; and
 - (b) if they so wish to address all the other Directors simultaneously.
- 3.2 At the commencement of the meeting each Director must acknowledge their presence for the purpose of the meeting to all the other Directors taking part.
- 3.3 A Director may not leave the meeting by disconnecting their telephone unless they have previously obtained the consent of the Chair of the meeting and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting by telephone unless they have previously obtained the express consent of the Chair.
- 3.4 For the purposes of this Rule ‘telephone’ shall include a computer or any other audio and visual device which permits instantaneous communication.

4. Quorum

- 4.1 Unless otherwise resolved by the Board, a quorum shall be a majority of directors in office at the time.
- 4.2 A quorum shall be deemed to be present if at least the number of Directors required to form a quorum may participate in the business of the meeting in the manner described in this Schedule.

5. Notice by Telephone

- 5.1 All the Directors for the time being entitled to receive notice of a meeting of the Directors shall be entitled to notice of a meeting by telephone and to be linked by telephone for the purposes of such meeting. Notice of any such meeting may be given on the telephone.

6. Minutes

- 6.1 The minutes of the proceedings at such meetings described in this Schedule shall be sufficient evidence of such proceedings and of the observance of all necessary formalities.

7. Vacancy

- 7.1 Directors may act, notwithstanding any vacancy in their body provided that, if there is less than the minimum number of directors, those directors may act only for the purposes of appointing a director or directors to fill the vacancy.

8. Other Proceedings

- 8.1 Except as provided in this Schedule, the Board may regulate its own procedures.

Schedule 3 – Terms of issue for each class of share

This Schedule sets out information in relation to the different types of shares – Capital shares, Redeemable Senior shares and Redeemable Saver shares.

1. Capital Shares:

- 1.1 Each share will have an issue price fixed at the time of issue payable as and when called by the Board.
- 1.2 If the holder fails to pay a call when due, the holder may elect to forfeit the share and be discharged of all liability in respect of the share thereafter.
- 1.3 Subject to any express limits in the Rules at a meeting or on a poll (including a postal poll to elect directors) and on a special resolution, Capital shares:
 - (a) not held by WBS Trust carry one vote per whole thousand shares held; and
 - (b) while held by WBS Trust confer one vote per share but irrespective of the aggregate number of votes cast by WBS Trust the number of votes by the Trust taken into account shall not exceed one half of the valid votes cast on the matter by persons other than the Trust.
- 1.4 Each Capital share carries the right to share in the reserves of the Society on a dissolution or winding up as provided in Rule 6.11 (c) equally with each other Capital share and each Redeemable Senior share.
- 1.5 A Capital share shall rank after all other classes of share in respect of repayment of its subscription price and any unpaid dividend on any insolvency or dissolution or winding up in respect of which there is a shortfall of amounts needed to meet such redemption liabilities to other classes.
- 1.6 Each Capital share carries the right to participate in any distributions of profit or surplus (other than a return of the subscription price or on a winding up or dissolution) equally with all other Capital shares except that a lesser participation may be provided as a term of issue in respect of any specified Capital shares or holder of Capital shares.
- 1.7 A Capital share is redeemable only if the Directors have resolved to offer redemption, and the Directors are satisfied that:
 - (a) redemption is in the interest of the Society; and
 - (b) the Society will remain solvent after the redemption; and
 - (c) the redemption will not cause, nor exacerbate, any inability to satisfy any significant covenant in any material financing agreement; and
 - (d) the redemption will not cause, nor exacerbate, any inability to provide fully for the philanthropic trust fund contemplated by Rule 6.11 (d); and
 - (e) the holder of the share has notified WBS that it will accept redemption on the terms offered.
- 1.8 Capital shares may be acquired and held only by WBS Trust and by persons primarily resident in a WBS home area and must be disposed of by any holder within one year of ceasing to reside primarily in a WBS home area. WBS may exercise its power of compulsory sale to enforce this condition. For this purpose, a corporation or other artificial entity is deemed to be resident in a WBS home area only if it is majority owned and effectively controlled (directly or indirectly) by natural persons primarily resident in a WBS home area.
- 1.9 Capital shares are transferable only with the prior approval of a resolution passed with the affirmative vote of at least all but one of the Directors voting on the matter.
- 1.10 No person other than WBS Trust may hold, directly or indirectly, more than 5,000 Capital shares. This does not preclude the holding by a trustee of shares for a trust

where no beneficiary acquires an interest in more than 5,000 Capital shares. The Directors may waive immaterial interests.

2. Redeemable Senior Shares

- 2.1 Redeemable Senior shares are shares other than Capital shares, Redeemable Saver shares or Preference shares held by a member who has been a member continuously since the 12th March 2008 which is that part (if any) of the holding equal to the lowest number of shares held by the member in that account since and including the 12th March 2008;
- 2.2 The lowest number of shares held by a member shall be determined for the purposes of term (a) from the Society's records in a manner convenient to the Society, and to its information technology system. Such a record shall be conclusive irrespective of the actual minimum, whether it is taken at intervals, or continually or otherwise, without a view to prefer or to disadvantage any member or class of senior shareholders as among themselves;
- 2.3 Shares in an account in excess of the Redeemable Senior share number are Redeemable Saver shares, irrespective of their date of issue;
- 2.4 Redeemable Senior Shares carry the rights, restrictions and benefits attached at the time of issue;
- 2.5 Redeemable Senior shares confer the right together with all other Redeemable Senior and Saver shares held by their holder, to cast one vote (in respect of all such shares held) on any members' resolution;
- 2.6 Each Redeemable Senior share carries the right to share equally with each other Redeemable Senior share and each Capital share (if any) in any surplus of the Society on a dissolution or winding up as provided in Rule 6.11 (c), after provision for payment in full of the redemption price of any preference shares and saver shares;
- 2.7 Each Redeemable Senior share is redeemable as fixed at the time of issue;
- 2.8 Redeemable Senior shares are transferable only with the approval of the Society's Board under Rule 3.7. The Board has resolved to approve transfers only in exceptional circumstances.

3. Redeemable Saver Shares:

- 3.1 Each complete share has an issue price of \$1.00 to be paid on subscription;
- 3.2 The part of any subscription payment that is not in even dollars (the excess cents) shall pay for a fraction of a share equivalent to the fraction of a dollar represented by the excess cents;
- 3.3 No share shall issue until the Society has irrevocably received the subscription payment in cleared funds;
- 3.4 A fraction of a share entitles the holder to the same fraction of the rights attributable to one share other than voting rights. A fraction of a share confers no voting rights;
- 3.5 A Redeemable Saver share carries no right to dividends or other distributions of profit or surplus, or return of capital beyond the return of the subscription price and interest at the agreed rate;
- 3.6 A Redeemable Saver share is redeemable on the basis set out in the Investment Statement and Prospectus, as agreed at the time of subscription, on demand, or on maturity of any agreed term;
- 3.7 A Redeemable Saver share is transferable only in extraordinary circumstances (such as on the death of the holder) and at the absolute discretion of the Board;

- 3.8 A Redeemable Saver share carries no right to participate in any distribution on a winding up or dissolution of WBS, beyond the return of the subscription price and unpaid interest;
- 3.9 By applying for and/or accepting a Redeemable Saver share the holder agrees with the Society as follows:
- (a) that WBS Trust is assigned any right to receive any **windfall benefits** in respect of the Redeemable Saver share;
 - (b) that WBS and any successor are authorised to pass any such **windfall benefits** direct to WBS Trust (or if it ceases to be a registered charity, to any other registered charity which WBS Trust may nominate) without giving any notice to the holder;
 - (c) that WBS Trust will have the benefit of these terms, and that neither it nor the Society can release the holder from the agreement contained in these terms, or vary them even if in the future some or all members will not be required to accept similar terms;
 - (d) if the Society no longer exists following a merger with another building society or conversion to a company, these terms will still apply as an agreement between holder and the merger society, or the company;
 - (e) that the Society is authorised to give WBS Trust any information at any time needed to enable it to determine entitlement (if any) to any **windfall benefits** conferred by the share and to ensure it can collect them, including the name, address, date of becoming a member and transaction details relevant to the entitlement.

In this clause 3.9:

“**windfall benefits**” means any benefits to which the holder may become entitled by reason of being a shareholder member of the Society holding Redeemable Saver shares, beyond the return of the subscription price of the shares, plus interest in accordance with the terms of issue, including in connection with:

- (i) any transfer of all or a major part of the Society’s business to a successor;
- (ii) any winding up or dissolution of the Society;
- (iii) any transfer or issue of shares to a person or persons other than WBS Trust to confer a substantial influence on control of the Society;
- (iv) any conversion of the Society into a company under Part 7A of the Building Societies Act 1965; and
- (v) any vote the holder may cast in favour of any of the foregoing.

4. Preference Shares

- 4.1 No Preference share may be issued if immediately after the issue the aggregate redemption value of all preference shares outstanding would exceed an amount equal to 35% of the equity amount at the time of issue.
- 4.2 A Preference share shall rank before Capital shares but after any other class of share for payment of agreed dividends and its redemption value when due, and on any insolvency or dissolution or winding up, but does not participate in any equity surplus at the time of issue.
- 4.3 Preference shares do not carry voting rights.
- 4.4 For clarity, Redeemable shares are not “Preference shares” as that term is used and defined in these Rules.