



**Queensland**  
COUNTRY  
CREDIT UNION

**CORPORATIONS LAW**

**CONSTITUTION**

**Of**

**QUEENSLAND COUNTRY CREDIT UNION LIMITED**

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# CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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## **PREAMBLE**

The company is a public company limited by shares which is regulated under the Corporations Act. The company is authorised to carry on banking business under the Banking Act 1959 (Cth) and is required to comply with the standards issued by the Australian Prudential Regulation Authority (APRA). The company operates on the basis of the following Principles of Mutuality. These Principles of Mutuality are not binding, except to the extent that the Constitution expressly provides otherwise.

## **Principles of Mutuality**

### **Membership and Member Shares**

#### *How to become a member*

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

#### *How many member shares a mutual may issue a person*

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

#### *Consideration paid for membership shares*

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

#### *Voting*

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

#### *Dividends and Surplus*

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

#### *Redemption and Transfer*

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

## **Additional Shares**

### *Definition*

14. All shares issued by a mutual other than member shares are additional shares.

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

15. A mutual may only issue additional shares to a person who has been a member of the mutual continuously for the past 6 months.

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### *Voting*

16. Subject to the exceptions in Principle 17, an additional share must not confer the right to vote.
17. Additional shares may confer the right to vote, at meetings of the holders of additional shares, on questions affecting the continuing existence of the mutual.

### *Dividends and Surplus*

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

### *Redemption and Transfer*

21. An additional share may confer on the holder of the additional share a right to redeem or, subject to Principle 22, to transfer the additional share.
22. The holder of additional shares may only transfer additional shares to a person who has been a member of the mutual continuously for the past 6 months.

### **Directors**

23. Only a member of a mutual may be a director of the mutual.

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## PRELIMINARY

### 1. Preliminary

1.1 In this Constitution, unless the contrary intention appears:

'**Auditor**' means the Company's auditor;

'**Business day**' has the same meaning as in the *Corporations Act 2001 (Cth)*;

'**Company**' means Queensland Country Credit Union Limited ABN 77 087 651 027 and before 1 July 1999 means the credit union of the same name incorporated and formed under the *Financial Institutions Code*;

'**Constitution**' means the constitution of the Company as amended from time to time;

'**Corporations Law**' means the Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth);

'**Director**' includes any person occupying the position of director of the Company;

'**Directors**' means all or some of the Directors acting as a board;

'**Fit and Proper Policy**' means the policy adopted by the Directors in relation to the fitness and propriety of Directors, senior managers and auditors required by APRA Prudential Standard CPS 520 or any other prudential standard or law applying from time to time.

'**Member**' means a person whose name is entered for the time being on the Register as the holder of one (1) or more Shares;

'**Membership Shares**' means the Membership Shares referred to in **clause 2.4**;

'**Nominations Committee**' means the committee referred to in **clause 63A**.

'**Office**' means the Company's registered office;

'**Register**' means the register of Members of the Company;

'**Registered address**' means the last known address of a Member as noted in the Register;

'**Representative**' means a person appointed by a Corporate Member to act as representative at a General Meeting of the Company under **clause 46** or under Section 250D of the *Corporations Act (2001) (Cth)*;

'**Secretary**' means any person appointed by the Directors to perform any of the duties of a secretary of the Company and if there are joint secretaries, any one (1) or more of such joint secretaries;

'**Shares**' means shares of the Company including Membership Shares and Additional Shares;

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'Transaction' in **clause 15** in relation to a Member's deposit account with the Company means a debit or credit to the account, other than for:

- (a) the payment of interest by the Company; or
- (b) the charging of a fee by the Company for keeping the account.

1.2 In this Constitution, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa and words importing a gender include other genders;
- (b) words importing natural persons include corporations;
- (c) words and expressions defined in the *Corporations Law* have the same meaning in this Constitution;
- (d) headings are for ease of reference only and do not affect the construction of this Constitution; and
- (e) a reference to the *Corporations Law* is a reference to the *Corporations Law* as modified or amended from time to time.
- (f) a reference to something being written or in writing or printed is a reference to any mode of representing or reproducing words in visible form and includes without limitation emails, facsimiles and documents in electronic form.

1.3 An expression in a provision of this Constitution has the same meaning as in a provision of the *Corporations Law* that deals with the same matter as the provision, unless the contrary intention appears in this Constitution.

1.4 To the extent permitted by law, the replaceable rules in the *Corporations Law* do not apply to the Company.

## ISSUED SHARES

### 2. Statutory Membership Shares and Statutory Redeemable Preference Shares

2.1 Prior to 1 July 1999, the Company was a credit union regulated under the *Financial Institutions Code* with withdrawable shares on issue.

2.2 On 1 July 1999, the Company was taken to have become registered as a public company limited by shares under the *Corporations Law* and:

- (a) each person who was a member of the Company immediately before 1 July 1999, became a Member of the Company;
- (b) all withdrawable shares of the Company on issue immediately before 1 July 1999 became redeemable preference shares of the Company (Statutory redeemable preference shares); and
- (c) any person who was a Member of the Company immediately before 1 July 1999 and who did not hold any shares in the Company, was taken to have been issued with a Membership Share on 1 July 1999 (Statutory membership shares).



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- 2.3 After 1 July 1999 but before the date of adoption of this Constitution, the Company issued to persons becoming Members of the Company, shares in the Company pursuant to regulation 12.8.12 of the *Corporations Regulations*. These shares are called 'Transitional Redeemable Preference Shares'.
- 2.4 On 11 August 2000 pursuant to the Corporations Regulations in force at the time the Directors resolved that a new class of Membership Share of ten dollars (\$10) each be created, that all Membership Shares in the Company as at 11 August 2000 be converted to one (1) unpaid ten dollar (\$10) Membership Share and that a Member's ten (10) one dollar (\$1) Redeemable Preference Shares be converted to a fully paid ten dollar (\$10) Membership Share. Accordingly, the issued shares of the Company as at the date of adoption of this Constitution comprise Membership Shares.
- 2.5 A Membership Share confers on the holder the following rights and obligations:
- (a) it is taken to have been issued under the Corporations Law;
  - (b) it carries the rights and obligations that were conferred or imposed on the shareholder in a capacity other than that of shareholder by:
    - (i) the Company's rules (as in force immediately before 1 July 1999); and
    - (ii) the previous Financial Institutions Code;
  - (c) the share is not transferable or transmissible by the Member;
  - (d) can be cancelled at the option of the shareholder or the Company in the circumstances in which the Member who holds the share could have had their membership of the Company cancelled immediately before 1 July 1999.
- 2.6 Without limiting **clause 2.5**, the rights and obligations conferred on the holders of Membership Shares in relation to:
- (a) repayment of capital;
  - (b) participation in distribution of profits and surplus assets;
  - (c) voting;
  - (d) priority of payment of capital in respect of any other class of shares in the Company,
- are those which are set out in this Constitution.

### NEW SHARE ISSUES - MEMBERSHIP REQUIREMENTS

#### 3. Eligibility

A person, including a body corporate is only eligible for membership in accordance with this Constitution.

#### 4. Common bond for individuals

A person, other than a body corporate, is eligible for membership under any one of the following categories:

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- (a) A resident of the Commonwealth of Australia;
- (b) A person who is a Member but has ceased to be eligible for membership in accordance with the categories of membership.

### 5. Common bond for bodies corporate

A body corporate is eligible for membership where the body corporate has an office or business address within the area specified in the common bond for individuals under **clause 4(a)**.

- (a) A Body Corporate does not cease to be a Member because the Body Corporate does not retain, subsequently, eligibility for membership under this clause.

### 6. Admission to membership

The Directors have the power to admit a person to membership provided:

- (a) the person makes written application in a form as required by the Directors. An application for membership may be made by completing an electronic application form, signing it (whether electronically or otherwise) and returning it to the Company. An electronic application received by the Company will be taken to be signed electronically by a person if the application form has been verified in the manner approved by the directors from time to time;
- (b) the person submits evidence satisfactory to the Directors as to that person's eligibility under this Constitution;
- (c) the person subscribes for one (1) Membership Share at an issue price of ten dollars (\$10.00) per share which are paid up to the amount agreed by the directors (in the case of a minor, the person provides evidence, satisfactory to the Company, of being less than eighteen (18) years of age, at the date of application, subscribes for one (1) Membership Share and agrees to pay the full amount on attaining majority); and
- (d) pays any admission fee.

### 7. Membership admission or rejection – delegation of power

The Directors may, by resolution, delegate to officers of the Company, its power to admit or reject Members;

- (a) any delegation must not include authority to
  - (i) further delegate the power to admit or reject Members.
- (b) The delegation must be evidenced by a resolution of the Directors and a copy of that resolution must be given to each delegate.

### 8. Admission to membership - absolute discretion

The Directors have an absolute discretion in exercising the power to admit Members without any obligation to assign a reason for not admitting a person as a Member.

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## 9. Issue of new Membership Shares

Upon the Directors admitting a person to membership, the Company must:

- (a) issue and allot the Membership Share;
- (b) enter particulars in the Register; and
- (c) give the person written notification that their application for membership has been accepted.

## 10. Trusts not recognised

10.1 Except as required by law or as otherwise provided by this Constitution, the Company will not recognise any person as holding a Share on trust and the Company will not recognise any equitable, contingent, future or partial interest or any other right in respect of a Share except the registered holder's absolute right of ownership.

10.2 Subject to the other clauses, this **clause 10** applies even if the Company has notice of the relevant trust, interest or right.

## 11. Joint holders

11.1 If two (2) or more persons are registered as the holders of a Share, they are taken to hold the Share as joint tenants with benefits of survivorship and the person whose name appears first on the Register is the only joint holder entitled to receive notices from the Company.

11.2 Any one of the joint holders of a Share may give effectual receipts for any return of capital payable to the joint holders.

## MEMBERSHIP CEASING

### 12. Cessation of membership

A person ceases to be a Member when:

- (a) that person is expelled under **clause 14**;
- (b) that person's membership is cancelled under **clause 15**;
- (c) that person redeems his or her Membership Share from the Company in accordance with **clause 22**;
- (d) the capital paid in relation to that person's Membership Share has been appropriated by the Company under **clause 26**;
- (e) the Directors approve an application for cancellation of membership by a holder of a Membership Share on being satisfied that all financial accommodation and other obligations have been discharged;
- (f) that person becomes a bankrupt or, being a body corporate is wound up;
- (g) that person dies; or

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- (h) that person fails to pay the unpaid amount on his or her Membership Share which is due under **clause 23.3**.

### 13. Cancellation of shares

The Shares of a person who ceases to be a Member are cancelled immediately on that person ceasing to be a Member.

### 14. Expulsion

- (a) The Directors may expel a Member on the grounds that the Member:
  - (i) has failed to discharge his or her obligations to the Company;
  - (ii) has been guilty of conduct that the Board reasonably determines to be detrimental to the Company; or
  - (iii) has obtained membership by misrepresentation or mistake.
- (b) The Directors may, by resolution, delegate their power to expel a Member.
- (c) Before proceedings to consider a resolution to expel a Member, the Directors (or their delegate) must give the Member fourteen (14) days' notice of the proposed resolution.
- (d) At the time the Directors (or their delegate) consider the proposed resolution, the Member is entitled:
  - (i) to be present with or without his or her legal representative; and
  - (ii) to be heard, either in person or through his or her legal representative.
- (e) The Company must pay the expelled Member the amount paid up on that Member's Membership Share after satisfaction of all liabilities and obligations.
- (f) The expelled Member has the right of appeal (if any) from a decision of the Board (or its delegate) in accordance with the dispute resolution procedure established by the Board in accordance with **clause 80**.

### 15. Dormancy

- (a) The Company may classify a Member's deposit account as a dormant account if:
  - (i) there have been no Transactions on the account for at least one (1) year;
  - (ii) the Company has given the Member a written notice stating that, unless the Member gives to the Company a written notice within one (1) month stating that the Member wishes the account to remain open, the Company intends to close the account; and
  - (iii) the Company does not receive a written notice from the Member under paragraph (ii).

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- (b) The Company may cancel that Member's shares if the Member's only account with the Company is a dormant account.
- (c) The Company may transfer the amount held in a dormant account to a suspense account.
- (d) The Company may charge a Member a fee for keeping an account for the Member in the suspense account but the fee must not be more than the lesser of:
  - (i) the amount held for the person in the suspense account; or
  - (ii) the amount of the fee as determined by the Directors from time to time.
- (e) This clause is subject to any law of unclaimed money.

### **16. Death of a Member**

- 16.1 On the death of a Member, the Company may recognise either the personal representative of the deceased Member or another person who appears to the Directors to be entitled to the deceased Member's estate (the beneficiary) as being entitled to the deceased Member's interest in the shares.
- 16.2 If the personal representative or beneficiary gives the Directors the information it reasonably requires to establish and to be registered as holder of the shares, the personal representative or beneficiary may elect to:
- (a) be registered as the holder of the shares; or
  - (b) apply to terminate the Membership
- 16.3 The estate of a deceased Member:
- (a) remains liable to the Company for the amount of any unpaid financial accommodation provided by the Company to the deceased Member; and
  - (b) retains any entitlements due from the Company.

### **17. Transmission of Shares on Bankruptcy**

If the trustee of a bankrupt Member's estate gives the Directors the information it reasonably requires to establish the trustee's entitlement to be registered as holder of the Member's shares, the trustee may require the Company to register them as holder of the Member's shares.

### **18. Transmission of Shares on Mental Incapacity**

If a person entitled to shares because of the mental incapacity of a Member gives the Directors the information it reasonably requires to establish the person's entitlement to be registered as a holder of the shares:

- (a) the person may elect to be registered as the holder of the shares; and
- (b) whether or not registered as the holder of the shares, the person has the same rights, obligations and restrictions as the incapacitated Member.

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## SHARES

### 19. Classes of Shares

- 19.1 The Directors may only issue Membership Shares and Additional Shares.
- 19.2 The Directors must not issue:
- (a) options to subscribe for Membership Shares;
  - (b) securities that may be converted to Membership Shares; or
  - (c) securities with pre-emptive rights to Membership Shares.
- 19.3 The Directors may only issue a Membership Share to persons who are not minors on the basis that the person pays the full subscription price in cash on issue. The Directors may issue a Membership Share to minors who subscribe for the Membership Share and agree to pay the issue price on attaining majority.
- 19.4 The Directors may only issue one (1) Membership Share to any person.

### 20. Subscription Price

The subscription price for a Membership Share is ten dollars (\$10.00).

Schedule 1A sets out the process for the Board to make a call for payment on partly paid shares.

### 21. No Share Certificates

For so long as it is permitted by law, no share certificates will be issued in respect of Membership Shares.

### 22. Redemption of Membership Shares

- 22.1 The Company must repay the amount paid up in respect of a Member's Membership Share if:
- (a) the Member requests it; and
  - (b) the Member has repaid all outstanding financial accommodation and discharged all other obligations to the Company.

### 23. Members who are minors

- 23.1 The Directors may admit a minor who is eligible to membership of the Company.
- 23.2 A Member who is a minor may not;
- (a) vote at a meeting of the Company; or
  - (b) hold office in the Company.
- 23.3 A Member who is a minor must, on attaining his or her majority, pay the issue price of ten dollars (\$10) of his or her Membership Share.
- 23.4 Each Member who is a minor must not exercise any rights of membership on attaining

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majority until he or she satisfies the requirement of **clause 23.3**.

- 23.5 If the Member consents, the Company may debit the Member's deposit account for the amount required under **clause 23.3**.

### **24. Shares not transferable**

A Member may not transfer, sell or assign the Membership Share but may require such Membership Share to be repaid in accordance with **clause 22**.

### **25. Additional Shares**

All shares are under the control of the Directors who may issue or allot shares to Members only in accordance with this Constitution.

Subject to the approval of a general meeting, compliance with the provisions of the *Corporations Law* and satisfying the requirements of the Australian Prudential Regulation Authority, the Company may raise capital by the issue of Additional Shares of a different class.

### **26. Right of Set-off on Membership Share or Deposit Account**

- 26.1 If the Company has informed a Member:

- (a) at the time when the Member took up his or her Membership Share or placed money on deposit under the former rules; and
- (b) at least once a year after that time,

the Company may set-off against that Member's Membership Share or the credit balance of that Member's deposit account any debt owed by the Member to the Company.

- 26.2 If the Company has complied with **clause 26.1**, the Company has in relation to any debt owed by that Member of the Company, a right of set-off against:

- (a) the Member's Membership Share;
- (b) the credit balance of any deposit account of the Member; and
- (c) any interest, bonus or rebate payable to the Member.

- 26.3 The Company can exercise its right of set-off by appropriating any capital paid in relation to the Member's Membership Share or any other money subject to the right of set-off. If the Company appropriates the whole of the capital paid in relation to a Member's Membership Share or the credit balance of any deposit account of the Member, the Membership Share held by that person or monies in any such deposit account will be forfeited and any surplus funds must be refunded to the Member.

## **DIVIDENDS**

### **27. Entitlement of holders of Membership Shares**

No dividends are payable on Membership Shares.

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### **28. Entitlement of holders of Additional Shares**

Dividends may however be payable in respect of Additional Shares.

### **GENERAL MEETINGS**

#### **29. Convening general meetings**

- 29.1 The Directors must cause a general meeting, called the "annual general meeting", to be held within five (5) months after the close of the Company's financial year.
- 29.2 All other general meetings of the Company are special general meetings which may be convened by the Secretary at any time upon the direction of the Directors.
- 29.3 (a) A Member may request the Directors to convene a general meeting only in accordance with the *Corporations Law*.
- (b) A Member may not convene or join in convening a general meeting except in accordance with the *Corporations Law*.

#### **30. Notice of general meeting**

- 30.1 Subject to the provisions of the *Corporations Law* allowing general meetings to be held with shorter notice, at least twenty one (21) days written notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) must be given to Members of any general meeting.
- 30.2 Written notice of a general meeting is to be given to Members:
- (a) if the Member has elected to receive such notice, either personally, by post, by facsimile or other electronic means; and
- (b) by advertisement published in a newspaper circulating generally in each State or Territory in which the Company conducts its business.
- 30.3 A notice convening a general meeting of Members:
- (a) must specify the place, date and time of the meeting and, if the meeting is to be held in two (2) or more places, the technology that will be used to facilitate this;
- (b) must state the general nature of the business to be transacted at the meeting;
- (c) must state the terms of any special resolution and the fact that it is proposed as a special resolution;
- (d) may specify a place, facsimile number and electronic address for the purposes of proxy appointment; and
- (e) in relation to proxies:
- (i) must state that the Member has a right to appoint a proxy;
- (ii) must state whether or not the proxy needs to be a Member of the Company



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30.4 A notice of the annual general meeting must state the business to be transacted at the meeting such as:

- (a) to confirm minutes of the last general meeting; and
- (b) to receive from the Directors, auditors or any officers of the Company reports upon the transactions of the Company during the last financial year, including balance sheets and profit and loss accounts; and
- (c) to announce the results of the postal ballot for the election of Directors; and
- (d) to determine any remuneration of Directors.

30.5 (a) The Directors may postpone or cancel any general meeting whenever they think fit

(other than a meeting convened as the result of a request under **clause 29.3**).

- (b) The Directors must give notice of the postponement or cancellation to all persons entitled to receive notices from the Company.

30.6 The failure or accidental omission to send a notice of a general meeting (including a proxy appointment form) to any Member or the non-receipt of a notice (or form) by any Member does not invalidate the proceedings at or any resolution passed at the general meeting.

### **30A Technology**

- (a) The Company may hold a meeting of Members at two (2) or more venues using any technology that gives the Members as a whole a reasonable opportunity to participate.
- (b) If, before or during a meeting of Members any technical difficulty occurs where one (1) or more Members may not be able to participate, the Chairman may:
  - (i) adjourn the meeting until the difficulty is remedied; or
  - (ii) where a quorum remains present (in the venue at which the Chairman is present) and able to participate, subject to the Corporations Act, continue the meeting.

### **30B Direct Voting**

- (1) In this rule "direct vote" means a vote at a members' meeting delivered to the company by such means as approved by the Board.
- (2) The Board may determine:
  - (a) that members entitled to attend and vote at a general meeting may cast a direct vote;
  - (b) the form, method and timing of giving a direct vote in order for the vote to be valid at a meeting;
  - (c) whether direct votes are counted where the vote is by show of hands.
- (3) A valid direct vote cast by a member has the same effect as if the member had cast the vote in person at the meeting.

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## PROCEEDINGS AT GENERAL MEETINGS

### 31. Member

In clauses **32, 33, 34, 35, 36, 37, 38**, and clause 3(d) of Schedule 4, 'Member' includes a Member present in person or by proxy, attorney or Representative.

### 32. Quorum

32.1 No business may be transacted at a general meeting unless a quorum of Members is present when the meeting proceeds to business.

32.2 A quorum is constituted by twenty (20) Members present at the meeting in person or by proxy. Each individual present may only be counted once toward a quorum. If a Member has appointed more than one (1) proxy or representative only one (1) of them may be counted toward a quorum. A quorum must be present during the entirety of the meeting.

32.3 If a quorum is not present within thirty (30) minutes after the time appointed for a meeting:

(a) if the meeting was convened on the requisition of Members, it is automatically dissolved; or

(b) in any other case:

(i) it will stand adjourned to the same time and place seven (7) days after the meeting, or to another day, time and place determined by the Directors; and

(ii) if at the adjourned meeting a quorum is not present within thirty (30) minutes after the time appointed for the meeting, it is automatically dissolved.

### 33. Chairperson

33.1 The chairperson, or in the chairperson's absence the deputy chairperson of Directors' meetings will be the chairperson at every general meeting of Members.

33.2 If:

(a) there is no chairperson or deputy chairperson; or

(b) neither the chairperson nor deputy chairperson is present within fifteen (15) minutes after the time appointed for holding the meeting; or

(c) the chairperson and deputy chairperson are unwilling to act as chairperson of the meeting;

the Directors present may elect a chairperson.

33.3 If no election is made under **clause 33.2**, then:

(a) the Members may elect one of the Directors present as chairperson; or

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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(b) if no Director is present or is willing to take the chair, the Members may elect one of the Members present as chairperson.

33.4 If there is a dispute at a general meeting about a question of procedure, the chairperson may determine the question.

### **34. Adjournment**

34.1 The chairperson of a meeting at which a quorum is present:

(a) in his or her discretion may adjourn a meeting with the meeting's consent; and

(b) must adjourn a meeting if the meeting directs him or her to do so.

34.2 An adjourned meeting may take place at a different venue to the initial meeting.

34.3 The only business that can be transacted at an adjourned meeting is the unfinished business of the initial meeting.

34.4 Except when a meeting is adjourned for more than twenty one (21) days, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

34.5 A notice of an adjournment for a meeting adjourned for more than twenty one (21) days is to be given to Members at least fourteen (14) days before the date of the adjourned meeting and must specify the place, the date and the hour of the meeting, and state the general nature of the business left unfinished at the meeting from which the adjournment took place.

### **35. Decision of questions**

35.1 Subject to the *Corporations Law* in relation to special resolutions, a resolution is carried if a majority of the votes cast on the resolution are in favour of the resolution.

35.2 A resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded in accordance with the *Corporations Law*.

35.3 The chairperson does not have a casting vote in addition to the chairperson's votes as a Member, proxy, attorney or Representative.

35.4 Unless a poll is demanded:

(a) a declaration by the chairperson that a resolution has been carried, carried by a specified majority, or lost; and

(b) an entry to that effect in the minutes of the meeting,

are conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against the resolution.

35.5 The demand for a poll may be withdrawn.

35.6 A decision of a general meeting may not be impeached or invalidated on the ground that a person voting at the meeting was not entitled to do so.

35.7 The clauses in **Schedule 3** outline the standing orders for general meetings.

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### **36. Taking a poll**

- 36.1 A poll will be taken when and in the manner that the chairperson directs.
- 36.2 The result of the poll will be the resolution of the meeting at which the poll was demanded.
- 36.3 The chairperson may determine any dispute about the admission or rejection of a vote.
- 36.4 The chairperson's determination, if made in good faith, will be final and conclusive.
- 36.5 A poll demanded on the election of the chairperson or the adjournment of a meeting must be taken immediately.
- 36.6 After a poll has been demanded at a meeting, the meeting may continue for the transaction of business other than the question on which the poll was demanded.

### **VOTES OF MEMBERS**

#### **37. Entitlement to vote**

A Member's entitlement to vote may not be exercised if, in the case of a Member who is the holder of a Membership Share the Membership Share is not fully paid up:

- (a) in relation to an annual general meeting, on the day before nominations for election of Directors close; and
- (b) in relation to a special general meeting, at least seven (7) days before notice of the special general meeting is given.

#### **38. Voting Rights**

At general meetings:

- (a) each Member may vote by proxy;
- (b) subject to the provisions in this Constitution regarding voting by corporate representatives or proxy, on a show of hands or on a poll any Member present either personally or by proxy has one (1) vote, regardless of the number of Shares held.

#### **39. Joint holders**

- 39.1 Only the joint holder whose name appears first in the Register will be entitled to vote.
- 39.2 For the purposes of this **clause 39**, several executors or administrators of a deceased Member in whose sole name any Shares are registered will be taken to be joint holders of those Shares.

#### **40. Objections**

- 40.1 An objection to the qualification of a voter may be raised only at the meeting or adjourned meeting at which the voter tendered its vote.

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40.2 An objection must be referred to the chairperson of the meeting, whose decision made in good faith is final.

40.3 A vote which the chairperson does not disallow pursuant to an objection is valid for all purposes.

### **41. Votes by operation of law**

A person who has satisfied the Directors in the time frames imposed by **Clause 37** that the person is entitled to a Share by operation of law may exercise all rights attached to the Share in relation to a general meeting, as if the person were the registered holder of the Share.

### **42. Votes by proxy**

42.1 If a Member appoints a proxy, that proxy may vote on a show of hands.

42.2 A proxy may demand or join in demanding a poll.

### **43. Instrument appointing proxy**

43.1 A Member who is entitled to vote at a meeting may appoint one (1) proxy.

43.2 A Member who is a natural person may appoint a proxy by a written appointment signed by the appointor or the appointor's attorney duly authorised in writing.

43.3 A Member which is a corporation may appoint a proxy by a written appointment executed in accordance with the *Corporations Law* or signed by the appointor's attorney duly authorised in writing.

43.4 A proxy need not be a Member.

43.5 (a) An appointment of a proxy must be in a form approved by the Directors.

(b) **Schedule 1** sets out a form which will be taken to be approved by the Directors unless they resolve to use a different form.

43.6 A proxy may vote or abstain as he or she chooses except to the extent that an appointment of the proxy indicates the manner in which the proxy will vote on any resolution. The proxy must vote or abstain on a poll or show of hands in accordance with any instructions on the appointment.

43.7 A proxy's appointment is valid at an adjourned meeting.

### **44. Lodgement of proxy**

44.1 The written appointment of a proxy or attorney must be received by the Company, not less than forty eight (48) hours (unless otherwise specified in the notice of meeting to which the proxy relates) before:

(a) the time for holding the meeting or adjourned meeting at which the appointee proposes to vote; or

(b) the taking of a poll on which the appointee proposes to vote.

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- 44.2 If the appointment purports to be executed under a power of attorney or other authority, then the original document, or an office copy or a notarially certified copy of it, must be forwarded with the appointment.
- 44.3 The Company receives an appointment of a proxy and any power of attorney or other authority under which it was executed when they are received at:
- (a) the Office;
  - (b) a facsimile number at the Office; or
  - (c) a place, facsimile number or electronic address specified for that purpose in the notice of meeting.

### **45. Validity**

A vote cast in accordance with an appointment of proxy or power of attorney is valid even if before the vote was cast the appoint or:

- (a) died;
- (b) became of unsound mind;
- (c) revoked the proxy or power; or
- (d) transferred the Shares in respect of which the vote was cast,

unless any written notification of the death, unsoundness of mind, revocation or transfer was received by the Company before the relevant meeting or adjourned meeting.

### **46. Representatives of corporations**

- 46.1 Any Member which is a corporation may appoint an individual as its representative as provided by the *Corporations Law*.
- 46.2 The chairperson of a general meeting may permit a person claiming to be a Representative to exercise his or her powers even if he or she has not produced a certificate evidencing his or her appointment, or may allow the Representative to vote on the condition that he or she subsequently establishes to the satisfaction of the chairperson of the general meeting his or her status as a Representative within a period prescribed by the chairperson of the general meeting.
- 46.3 The appointment of a Representative may set out restrictions on the Representative's powers.

### **46A Consideration of any resolution that may alter the Company's mutual structure**

Schedule 4 applies to any Demutualisation Resolution (as defined in Schedule 4) to be submitted to Members.

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## APPOINTMENT AND REMOVAL OF DIRECTORS

### 47. Number of Directors

- 47.1 Subject to the *Corporations Law*, the Company may by resolution passed at a general meeting increase or reduce the minimum or maximum number of Directors.
- 47.2 Until the Company resolves otherwise the Board of the Company shall consist of at least five (5) directors.

### 47A Directors Transitional Provisions relating to the Transfer of Business from ECU Australia

- 47A.1 For the purposes of this Clause 47A:
- "ECU" means ECU Australia Ltd ACN 087 650 986;
  - "transfer of business" means the transfer of business from ECU to the company pursuant to the Financial Sector (Business Transfer and Group Restructure) Act 1999 (Cth);
  - "transfer date" means the date when the certificate of transfer granted under section 18 of the Financial Sector (Business Transfer and Group Restructure) Act 1999 (Cth) in relation to the transfer of business comes into force.
- 47A.2 On the transfer date the persons named in the left column of the following table (in this Clause 47A referred to as transfer directors) are deemed to be member elected directors and their term of office ends at the end of the AGM indicated in the right column of the following table:

Name of director	Year of AGM
Michael Beard	2017
Brian (Bruno) Cullen	2018
Patricia O'Callaghan*	2019
Karen Read	2018
Michael Steindl	2017
Deirdre Comerford*	2019
Gregory Nucifora	2019
Geoffrey (John) Gilbert	2018
Anthony Williamson	2017

\*Subject to appointment at the QCCU 2016 AGM.

Provided that this Clause 47A.2 does not preclude the board from appointing directors under Clause 50.1.

- 47A.3 On the transfer date the term of office of any director of the company who is not a transfer director ends.
- 47A.4 From the transfer date until the end of the 2017 AGM the maximum aggregate number of directors is 9.
- 47A.5 On the transfer date Brian Patrick Cullen is deemed to be the company's Chair of the Board until the first meeting of the board following the 2017 AGM. His respective appointment as chair will end if:
- for any reason he ceases to be a director;
  - he resigns from the office; or
  - he is removed from the office by a resolution passed by a majority of the directors, whichever occurs first.

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47A.6 To the extent of any inconsistency between the provisions in this Clause 47A and any other provisions in this Constitution the provisions in this Clause 47A will prevail.

47A.7 This Clause 47A will cease to apply at the end of the 2017 AGM.

### **47B Directors Transitional Provisions relating to the Transfer of Business from Queenslanders Credit Union**

47B.1 For the purposes of this Clause 47B:

- (a) "Queenslanders" means Queenslanders Credit Union Limited ACN 087 651 063;
- (b) "transfer of business" means the transfer of business from Queenslanders to the company pursuant to the Financial Sector (Business Transfer and Group Restructure) Act 1999 (Cth);
- (c) "transfer date" means the date when the certificate of transfer granted under section 18 of the Financial Sector (Business Transfer and Group Restructure) Act 1999 (Cth) in relation to the transfer of business comes into force.

47B.2 On the transfer date the persons named in the left column of the following table (in this Clause 47B referred to as transfer directors) are deemed to be member elected directors and their term of office ends at the end of the AGM indicated in the right column of the following table:

<b>Name of director</b>	<b>Year of AGM</b>
Brian Patrick Cullen	2018
Christine Flynn	2019
Karen Read	2018
Michael Beard	2020
Patricia O'Callaghan	2019
Greg Nucifora	2019
John Weier	2018
Richard Kennerley	2020
Anthony Williamson	2020

47B.3 On the transfer date the term of office of any director of the company who is not a transfer director ends.

47B.4 From the transfer date until the end of the 2018 AGM the maximum aggregate number of directors is 9.

47B.5 On the transfer date Brian Patrick Cullen is deemed to be the company's Chair of the Board until the first meeting of the board following the 2018 AGM. His respective appointment as chair will end if:

- (a) for any reason he ceases to be a director;
- (b) he resigns from the office; or
- (c) he is removed from the office by a resolution passed by a majority of the directors, whichever occurs first.

47B.6 To the extent of any inconsistency between the provisions in this Clause 47B and any other provisions in this Constitution the provisions in this Clause 47B will prevail.

47B.7 This Clause 47B will cease to apply at the end of the 2018 AGM.



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### 48. Qualification

A person is not eligible to be a Director if the person:

- (a) is not a Member of the Company; or
- (b) is not the representative of a body corporate member of the Company; or
- (c) is a minor; or
- (d) is a current employee of the Company (except where **clause 50 or 60** applies) or has been an employee in the three years immediately preceding the closing date for nominations; or
- (e) is bankrupt, has applied to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounded with his or her creditors, or made an assignment of his or her remuneration for their benefit; or
- (f) is disqualified or prevented by law from being a director of a body corporate or
- (g) fails to provide all information and consents the Directors reasonably request to determine if the person is of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy or is disqualified or prevented by law from being a Director; or
- (h) has been convicted in the last ten (10) years of:
  - (i) an indictable offence in relation to the promotion, formation or management of a body corporate; or
  - (ii) an offence involving fraud or dishonesty; or
  - (iii) is a Member whose voting rights may not be exercised under **clause 37**; or.
- (a) is assessed as being not of appropriate fitness and propriety to be and act as Director by reference to the Fit and Proper Policy.

### 49. Election of Directors and the appointment and removal of Directors

49.1 The clauses in **Schedule 2** apply to the election of Directors.

49.2 The Company may by resolution passed in general meeting:

- (a) remove any Director; and
- (b) appoint another person in the Director's place.

### 50. Casual Directors

50.1 If there is a casual vacancy in the office of a Director the Directors may appoint a person to be a director to fill the casual vacancy. The Directors may only appoint a person who is eligible to be a Director under **clause 48**. An employee may be appointed by the Board to fill a casual vacancy provided there is no other current Employee Director.

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- 50.2 The term of office for a Director appointed to fill a casual vacancy ends at the end of the next annual general meeting after the Director's appointment unless the Members approve the appointment before the end of the next annual general meeting after the Director's appointment in which case his or her term expires at the end of the term of office of the Director whose office has become vacant. They shall be eligible for re-election.

### **BOARD APPOINTMENT OF ADDITIONAL DIRECTORS**

#### **50A. Appointment of skills-based and experienced directors**

- 50A.1 The Board has the power at any time and from time to time to appoint a person as a member of the Board if the Board considers the person:
- (a) has skills or expertise that are required on the board or would benefit the Board;
  - (b) has experience in an area not otherwise available on the Board which will benefit the Board; or
  - (c) if the Board considers the appointment of the person as a director has some other benefit.
- 50A.2 A director appointed under this clause 50A shall hold office for a fixed term, as may be determined by the Board, or otherwise until:
- (a) the office automatically becomes vacant; or
  - (b) the director resigns; or
  - (c) the director is removed by the members; or
  - (d) the director is removed by the Board which the Board may do at any time and without the need to assign any reasons.
- 50A.3 The Board has the power to appoint a maximum of two additional directors in accordance with this Rule 50A from time to time (in addition to any director appointed under clause 50.1 and clause 60).
- 50A.4 For the avoidance of doubt, a Board-appointed director is entitled to vote as a director.
- 50A.5 The Board may only appoint a person under clause 50A if that person is not ineligible under clause 48.
- 50A.6 A person retiring as an elected director may be appointed by the Board under Clause 50A.1 on the basis of their skills, experience and corporate knowledge with the company. Such appointment or proposed appointment, and the reason for their appointment, must be disclosed to the members at the Annual General Meeting at which their term would otherwise complete.

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## **51. Retirement by rotation and nominations of directors**

- 51.1 At each annual general meeting one-third of the Directors (excluding an Employee Director) or, if their number is not a multiple of three (3), then the number nearest to but not more than one-third of the Directors must retire from office.
- 51.2 (a) The Directors (excluding an Employee Director) to retire by rotation at an annual general meeting are those Directors who have been longest in office since their last election or appointment.
- (b) Directors elected or appointed on the same day may agree among themselves or determine by lot which of them must retire.
- 51.3 A Director must retire from office at the conclusion of the third annual general meeting after the Director was last elected, even if his or her retirement results in more than one-third of all Directors retiring from office.
- 51.4 A retiring Director will be eligible for re-election.
- 51.5 A person is eligible for election as a Director at a general meeting if they are eligible for election under **clause 48** and they comply with the Clauses relating to the nomination of candidates in **Schedule 2**.

## **52. Period of office**

Subject to this Constitution, a Director (excluding an Employee Director) is elected for a term of three (3) years, commencing at the end of the annual general meeting at which his or her election is announced and ending at the end of the third annual general meeting happening after his or her election. Subject to this clause, a Director will continue to hold office until he or she dies or until his or her office is vacated pursuant to **clause 53**.

## **53. Vacation of office**

The office of a Director immediately becomes vacant if the Director:

- (a) dies;
- (b) ceases to be eligible to be a Director under **clause 48**;
- (c) as a representative of a body corporate member of the Company whose eligibility for election to the office was based on being that representative, ceases to be so eligible;
- (d) having been appointed as an Employee Director ceases to be an employee of the Company;
- (e) is absent from three (3) consecutive ordinary meetings of the Directors without its leave;
- (f) resigns by written notice given to the Directors;
- (g) is three (3) months in arrears in relation to money due to the Company and has failed to make arrangement for payment satisfactory to the Company;
- (h) completes a term of office;

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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- (i) is disqualified or prevented by law from holding office or continuing as a Director;
- (j) fails to provide all information and consents the Directors reasonably request to determine if the person is of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy or is disqualified or prevented by law from being a Director;
- (k) is assessed as being not of appropriate fitness and propriety to be and act as Director by reference to the Fit and Proper Policy; or
- (l) is the subject of a direction under section 23 of the Banking Act 1959 (Cth);
- (m) cannot manage the Company because of his or her mental incapacity and is a person whose estate or property has had a personal representative or trustee appointed to administer it;
- (n) is removed by a resolution of the Company.

### REMUNERATION OF DIRECTORS

#### 54. Remuneration of Directors

- 54.1 The Company in general meeting must determine any remuneration of Directors (other than an Employee Director).
- 54.2 In the absence of apportionment determined by the meeting, the Directors may determine how the sum for their remuneration is to be apportioned among them (excluding any Employee Director) and how and when it is to be paid.
- 54.3 The remuneration of Directors accrues from day to day.
- 54.4 In addition to remuneration, the Directors may be paid all reasonable expenses incurred by them in connection with the business of the Company.
- 54.5 The company may also pay a premium in respect of a contract insuring a person who is or has been a Director against a liability incurred by the person as a Director, except in circumstances prohibited by the *Corporations Law*.

#### 55. Remuneration of Employee Director

- 55.1 The remuneration of an Employee Director may from time to time be fixed by the Directors.
- 55.2 The Company may pay a premium in respect of a contract insuring a person who is or has been an Employee Director against a liability incurred by the person as a Director, except in circumstances prohibited by the *Corporations Law*.

### POWERS AND DUTIES OF DIRECTORS

#### 56. Directors to manage Company

- 56.1 The business of the Company is managed by the Directors who may exercise all powers of the Company that this Constitution and the *Corporations Law* do not require to be exercised by the Company in general meeting.

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- 56.2 Subject to any restrictions imposed by the *Corporations Law* and this Constitution the Directors may delegate any power, other than the power to delegate, which it may exercise to other officers of the Company.
- 56.3 Every Director and other agent or officer of the Company must:
- (a) keep secret all aspects of all transactions of the Company, except:
    - (i) to the extent necessary to enable the person to perform his or her duties to the Company;
    - (ii) as required by law; and
    - (iii) when requested to disclose information by the Directors, to the auditors of the Company or a general meeting of the Company; and
  - (b) if requested by the Directors, sign and make a declaration that he or she will not disclose or publish any aspect of any transaction of the Company.

### PROCEEDINGS OF DIRECTORS

#### 57. Directors' meetings

- 57.1 The Directors may meet, adjourn and otherwise regulate its meetings as it thinks fit but the Directors must meet at least once every two months.
- 57.2 A meeting of the Directors may be convened:
- (a) by any two (2) Directors; or
  - (b) by the Secretary upon the authority of two (2) Directors.
- 57.3 Forty eight (48) hours' notice must be given of all meetings, except where:
- (a) the Chairperson determines there are exceptional circumstances; or
  - (b) a majority of Directors authorise the Secretary to convene a meeting on shorter notice.
- 57.4 If the Directors decide, a meeting of the Directors may be conducted by radio, telephone, closed circuit television or other electronic means.
- 57.5 A resolution passed by such a meeting is taken to have been passed at a meeting of the Directors held on the day on which and at the time at which the meeting was held and at the place where the Chairperson of Directors of such meeting was present notwithstanding the Directors are not present together in one place at the time of the meeting.
- 57.6 The provisions of this Constitution relating to proceedings of Directors apply so far as they are capable of application to meetings conducted pursuant to **clause 57.4**, with any necessary changes.
- 57.7 A majority of the number of Directors is required to be present to constitute a quorum

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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57.8 If, within thirty (30) minutes of the time appointed for a meeting of the Directors, a quorum is not present the meeting shall stand adjourned to the same day in the next week at the same time and place.

### 58. Decision of questions

58.1 Questions arising at a meeting of the Directors are decided by majority of votes of Directors present and voting.

58.2 In the case of an equality of votes, the Chairperson has a casting vote in addition to his or her deliberative vote.

### 59. Directors' interests

59.1 A Director and any firm, body or entity in which a Director has a direct or indirect interest may in any capacity:

- (a) enter into any contract or arrangement with the Company;
- (b) be appointed to and hold any office or place of profit under the Company, other than the office of auditor; and
- (c) act in a professional capacity, other than as auditor, for the Company,

and may receive and retain for his or her own benefit any remuneration, profits or benefits as if he or she were not a Director.

59.2 Each Director must disclose his or her interests to the Company in accordance with the *Corporations Law* and the Secretary must record all declarations in the minutes of the relevant Directors' meeting.

59.3 A Director's failure to make disclosure under this clause does not render void or voidable a contract or arrangement in which the Director has a direct or indirect interest.

59.4 A Director with a material personal interest in relation to the Company's affairs that is being considered at a Directors meeting must not:

- (a) be present when the matter is being considered at the meeting; or
- (b) vote on the matter

unless the Directors pass a resolution:

- (i) identifying the Director, the nature and extent of the Director's interest in the matter and its relation to the affairs of the Company; and
- (ii) stating that the Directors are satisfied that the interest should not disqualify the Director from voting or being present.

59.5 (a) If the Director does purport to vote, the Director's vote will not be counted.

(b) The requirement in this **clause 59.5(a)** is in addition to any requirements of the *Corporations Law* in relation to voting by an interested director of a public company.

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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59.6 A Director may join in executing in accordance with the *Corporations Law* any document relating to a contract or arrangement or proposed contract or arrangement in which the Director has an interest.

### **60. Employee Directors**

The Board may appoint one (1) employee of the Company, otherwise qualified under clause 48 to be a Director of the Company. An employee may be appointed by the Board to fill the casual vacancy provided there is no other current Employee Director.

The Employee Director will stay in office until:

- a) The office automatically becomes vacant; or
- b) The director resigns; or
- c) The director is removed by the members; or
- d) The director is removed by the board

Clause 51 (Retirement by Rotation) and Clause 52 (Period of Office) shall not apply to an Employee Director.

When the Board appoints a person under Clause 60, it must indicate whether the appointment is effected pursuant to that clause.

### **61. Remaining Directors**

61.1 The Directors may act even if there are vacancies on the board.

61.2 If the number of Directors is not sufficient to constitute a quorum at a Directors' meeting, the Directors may act only to:

- (a) appoint a Director to fill a casual vacancy; or
- (b) convene a general meeting.

### **62. Chairperson**

62.1 The Directors shall elect one (1) of their number excluding an employee Director as Chairperson of their meetings and one (1) other of their number as Deputy Chairperson and may determine the periods for which they are to hold office.

62.2 If neither the Chairperson nor Deputy Chairperson is present within thirty (30) minutes of the time appointed for a meeting or neither is willing to act, the Directors present must elect one (1) of their number to chair that meeting only.

62.3 Where the Chairperson is not available to act as required by this Constitution the Deputy Chairperson may act in his or her place.

62.4 The Chairperson may be removed from the position of Chairperson by resolution of the majority of the Directors.

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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### **63. Directors' committees**

- 63.1 Subject to any restrictions imposed by the *Corporations Law* and this Constitution, the Directors may delegate any of their powers to a committee or committees consisting of such of their number as they think fit.
- 63.2 A committee to which any powers have been so delegated must exercise the power delegated in accordance with any directions of the Directors and a power so exercised is taken to have been exercised by the Directors.
- 63.3 A committee may meet and adjourn as it thinks proper and otherwise regulate its proceedings.
- 63.4 In the case of an equality of votes, the Chairperson of a committee does not have a casting vote in addition to his or her deliberative vote.

### **63A Nominations Committee**

The Directors shall establish a Nominations Committee in accordance with Schedule 2A.

### **64. Resolutions without actual meetings**

- 64.1 A resolution in writing of which notice has been given to all Directors and which is approved by a majority of the Directors entitled to vote on the resolution (not being less than the number required for a quorum at a meeting of the Board) is a valid resolution of the Board. The resolution may consist of several documents in the same form each approved by one or more of the Directors.
- 64.2 For the purposes of clause 64.1:
- 64.2.1 a reference to "all Directors" does not include a reference to:
- (a) a Director who, at a meeting of Directors, would not be entitled to vote on the resolution;
  - (b) a Director who disqualifies himself or herself from considering the resolution in question; and
  - (c) any Director on leave of absence approved by the Board.
- 64.2.2 a statement sent electronically by a Director to an agreed electronic address stating that they are in favour of a specified resolution shall be taken to be a document containing that statement and duly approved by the Director. Such document shall be taken to have been approved by the Director at the time of its receipt at the agreed electronic address.
- 64.3 A resolution in writing under clause 64.1 shall be deemed to have been passed at a meeting of the Directors held on the day and at the time at which the document was last approved by a Director and the document shall be deemed to constitute a minute of that meeting and shall be recorded by the Secretary in the minute book.

### **65. Validity of acts of Directors**

If it is discovered that:



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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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(a) there was a defect in the appointment of a person as a Director or member of a Directors' committee; or

(b) a person appointed to one of those positions was disqualified,

all acts of the Directors or the Directors' committee before the discovery was made are as valid as if the person had been duly appointed and was not disqualified.

### **66. Minutes and registers**

66.1 The Directors must cause minutes to be made of:

(a) the names of the Directors present at all general meetings, Directors' meetings and meetings of Directors' committees;

(b) all proceedings and resolutions of general meetings, Directors' meetings and meetings of Directors' committees;

(c) all resolutions passed by the Directors in accordance with **clause 64**;

(d) all orders made by the Directors and Directors' committees; and

(e) all disclosures of interests made pursuant to **clause 59**.

66.2 Minutes must be signed by the Chairperson of the meeting or by the Chairperson of the next meeting of the relevant body, and if so signed will as between the members be conclusive evidence of the matters stated in such minutes.

### **67. Appointment of attorneys and agents**

67.1 The Directors may from time to time by resolution or power of attorney executed in accordance with the *Corporations Law* appoint any person to be the agent or attorney of the Company:

(a) for the purposes;

(b) with the powers, authorities and discretions (not exceeding those exercisable by the Directors under this Constitution);

(c) for the period; and

(d) subject to the conditions,

determined by the Directors.

67.2 An appointment by the Directors of an attorney or agent of the Company may be made in favour of:

(a) any company;

(b) the members, directors, nominees or managers of any company or firm; or

(c) any fluctuating body of persons whether nominated directly or indirectly by the Directors.

67.3 A power of attorney may contain such provisions for the protection and convenience of persons dealing with an attorney as the Directors think fit.

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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- 67.4 The Directors may appoint attorneys or agents in writing to act for and on behalf of the Company.
- 67.5 An attorney or agent appointed under this **clause 67** may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in it.

### SECRETARY

#### 68. Secretary

- 68.1 There must be at least one (1) secretary of the Company appointed by the Directors for a term and at remuneration and on conditions determined by them.
- 68.2 The Secretary is entitled to attend and be heard on any matter at all Directors' and general meetings.
- 68.3 The Directors may, subject to the terms of the Secretary's employment contract, suspend, remove or dismiss the Secretary.

### INSPECTION OF RECORDS

#### 71. Times and authorisation to inspect records

- 71.1 Except as otherwise required by the *Corporations Law*, the Directors may determine whether and to what extent, and at what times and places and under what conditions, the financial records and other documents of the Company or any of them will be open for inspection by Members other than Directors.
- 71.2 A Member other than a Director does not have the right to inspect any financial records or other documents of the Company unless the Member is authorised to do so by a court order or a resolution of the Directors.

### RESERVES

#### 72. Calculation and Distribution of reserves

The Company's profit or loss in any one financial year arising from its operations must be determined and dealt with in accordance with any applicable prudential standards. The Directors must also resolve in each financial year the amount of profit which must be carried to a reserve. Reserves can be used in the business of the Company or can be distributed on a winding up in accordance with this Constitution.

### NOTICES

#### 73. Service of notices

- 73.1 Notice may be given by the Company to any person who is entitled to notice under this Constitution by:
- (a) serving it on the person;

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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- (b) sending it by post, facsimile transmission or electronic notification to the person at the person's address shown in the Register or the address supplied by the person to the Company for sending notices to the person; or
- (c) if the notice is to a Member and the Member has no registered address, posting it on a notice board at the Office.

73.2 A notice sent by post is taken to be served:

- (a) by properly addressing, prepaying and posting a letter containing the notice; and
- (b) on the day after the day on which it was posted.

73.3 A notice sent by facsimile transmission or electronic notification is taken to be served:

- (a) by properly addressing the facsimile transmission or electronic notification and transmitting it; and
- (b) on the day after its despatch.

73.4 A notice posted on a notice board is taken to be served twenty four (24) hours after it is posted on the board.

73.5 A notice may be given by the Company to joint holders by giving the notice to the joint holder whose name appears first in the Register.

73.6 Every person who is entitled to a Share by operation of law and who is not registered as the holder of the Share is taken to receive any notice served in accordance with this clause on the person from whom it derives its title.

73.7 A Member whose registered address is not in Australia may specify in writing an address in Australia as the Member's registered address within the meaning of this clause.

73.8 A certificate in writing signed by a Director, Secretary or other officer of the Company that a document or its envelope or wrapper was addressed and stamped and was posted is conclusive evidence of posting.

73.9 Subject to the *Corporations Law* the signature to a written notice given by the Company may be written or printed.

73.10 All notices sent by post outside Australia must be sent by prepaid airmail post.

### **74. Persons entitled to notice**

74.1 Notice of every general meeting must be given to:

- (a) every Member;
- (b) every Director; and
- (c) any Auditor.

74.2 No other person is entitled to receive notice of a general meeting.

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# CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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## AUDITS AND ACCOUNTS

### 75. Company to keep accounts

- 75.1 The Directors must cause the Company to keep written financial records in relation to the business of the Company in accordance with the requirements of the *Corporations Law*.
- 75.2 The Directors must cause the financial records of the Company to be audited in accordance with the requirements of the *Corporations Law*.

## WINDING UP

### 76. Liability on Winding Up

- 76.1 Subject to this **clause 76**, on the winding up of the Company:
- (a) a Member's liability is limited to the amount unpaid in relation to the Member's contractual obligations with the Company; and
  - (b) the liability of a holder of a Membership Share extends to the amount unpaid in relation to that share.
- 76.2 Any deposit paid by the holder of a Membership Share for the purposes of becoming a Member of the Company held by the Company at the date of commencement of any winding up will be subordinated to the claims of other creditors.

### 77. Surplus

On a winding up, Members are entitled to participate in any surplus equally and without regard to the number of Shares held by any Member. In the case of a voluntary winding-up, the Members at the time they resolve to wind up the Company may resolve that any surplus be transferred to any Company which has a mutual structure in accordance with any current policy of the Australian Securities and Investments Commission or the Australian Prudential Regulation Authority.

## PAYMENTS BY THE COMPANY

### 78. Indemnity and Insurance

- 78.1 To the extent permitted by law and that the officer or auditor is not indemnified by directors' and officers' liability insurance maintained by the Company, the Company indemnifies every person who is or has been an officer of the Company against any liability:
- (a) incurred by that person as such an officer or auditor to another person other than the Company or a related body corporate of the Company unless the liability arises out of conduct involving a lack of good faith; and
  - (b) for costs and expenses incurred by the person as such an officer or auditor:
    - (i) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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- (ii) in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Law.

- 78.2 The Company may pay or agree to pay a premium in respect of a contract insuring a person who is or has been an officer or auditor of the Company against a liability:
- (a) incurred by the person as such an officer or auditor unless the liability arises out of conduct involving:
    - (i) a wilful breach of duty in relation to the Company; or
    - (ii) without limiting **subparagraph (i)**, a contravention of the *Corporations Law*; or
  - (b) for costs and expenses incurred by the person as such an officer or auditor in defending proceedings, whether civil or criminal and whatever their outcome.

### GENERAL

#### 79. Dealing with non-Members

- 79.1 The Company must not provide financial accommodation to or accept deposits of money from a person who is not a Member except as provided for in this clause.
- 79.2 This clause however does not limit the powers of the Company to invest funds, subject to any particular laws and prudential standards, otherwise than by way of financial accommodation to its Members.
- 79.3 The Company may accept deposits of money from non-Members subject to any requirements and restrictions imposed by the Board from time to time.

#### 80. Dispute resolution

- (a) The Directors must appoint a person to settle disputes between the Company and a Member (in the capacity as a Member), and establish procedures for the settlement of such disputes.
- (b) A dispute between the Company and a Member (in the capacity as a Member) where not settled by the Company's internal procedures, will be settled in accordance with Directors policy as amended, from time-to-time.

**SCHEDULE 1**  
**FORM OF PROXY**

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**CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED**

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**QUEENSLAND COUNTRY CREDIT UNION LIMITED ABN 77 087 651 027**

**GENERAL MEETING**

**PROXY FORM**

The Secretary  
QUEENSLAND COUNTRY CREDIT UNION LIMITED ABN 77 087 651 027

I/We .....  
(please print full name)

of .....  
(please print address)

being a Member(s) of Queensland Country Credit Union Limited ABN 77 087 651 027  
appoint:

Name of proxy .....  
(please print full name)

Address of proxy .....  
(please print address)

or, in his/her absence, the chairperson of the meeting as my/our proxy to vote on my/our behalf at the general meeting of Queensland Country Credit Union Limited ABN 77 087 651 027 to be held on ..... at .....am/pm and at any adjournment of that meeting.

**Proxy instructions**

*To instruct your proxy how to vote, insert 'X' in the appropriate column against each item of business set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.*

I/We instruct my/our proxy to vote as follows:

<b>Resolution</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(refer over)

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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**QUEENSLAND COUNTRY CREDIT UNION LIMITED ABN 77 087 651 027**

### **GENERAL MEETING**

#### ***Proxy Form (continued)***

*This proxy must be signed by each appointing Member or the Member's attorney. Proxies given by companies must be executed in accordance with the Corporations Act 2001 or signed by an authorised officer or attorney.*

	<b>SIGNATURE(S)</b>	<b>NAME (print)</b>	<b>ADDRESS</b>
Director			
Director/Secretary			
Attorney			

This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be received by Queensland Country Credit Union Limited ABN 77 087 651 027, [at the specified address] no later than . . . . . am/pm on . . . . ., being not later than forty eight (48) hours before the meeting.

#### Notes:

1. A Member who is entitled to vote at the meeting may appoint one proxy.
2. If you require an additional proxy form, the Company will supply it on request.
3. A proxy need not be a Member of the Company.
4. If you mark the abstain box for a particular item of business you are directing your proxy not to vote on your behalf for a show of hand or on a poll and your vote will not be counted when determining the required majority on a poll.



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# CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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## SCHEDULE 1A

### CALLS AND FORFEITURES

#### Sch 1A.1 Payment of Calls on Shares

- (1) This Clause applies if some or all of the subscription price for a share is payable on the Company calling up payment of some or all of the unpaid subscription price. This Clause applies in relation to a share subject to:
  - (a) any restrictions in the terms of issue for the share; and
  - (b) any special resolution providing that the Company can only call up some or all of the subscription price for shares if the Company becomes an externally-administered body corporate
- (2) The Company may call for payment of any amount of the unpaid subscription price for a share by Board resolution. The Company must give a Member holding a share on which the Company has made a call a notice setting out how much, when and how the Member must make the payment. The Company must give the notice at least 14 days before the time the Member must pay the call.
- (3) The Company may revoke or postpone a call on a share by board resolution. The Company must give each Member holding a share for which the Company has revoked or postponed a call notice as soon as practicable after the Board resolution.
- (4) In any proceeding to recover unpaid instalments, a Member is conclusively presumed to be liable for a call if:
  - (a) the Company's minutes record the board resolution calling for payment of the amount of the call;
  - (b) the Member's name appeared in the Register of Members as holder of the share on the date of the Board resolution; and
  - (c) the Company gave the Member a notice in accordance with subclause (2).
- (5) Joint holders of shares are jointly and severally liable to pay all calls in respect of their shares.
- (6) At any time, the Company may accept from a Member prepayment of any amount of the unpaid subscription price on a share.

#### Sch 1A.2 Effect of Failure to Pay Unpaid Amounts

- (1) This Clause applies if a member does not pay any amount of the unpaid subscription price for a share at the time the amount becomes due. This Clause does not limit any other remedies that the Company may have against the Member.
- (2) The Member must pay:
  - (a) the amount due on the share; and
  - (b) all costs and expenses that the Company incurs (including, without limitation, legal expenses on a solicitor and own client basis or full indemnity basis,

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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whichever is the higher) because the Member did not pay the amount when it became due.

The Company may waive all or part of the expenses payable under this SubClause by board resolution.

### **Sch 1A.3 Forfeiture and Surrender**

- (1) If a Member fails to pay a call or instalment of a call on the day appointed for payment of the call or instalment, the Directors may, at any time afterwards during such time as any part of the call or instalment remains unpaid, give a notice to the Member requiring payment of so much of the call or instalment as is unpaid, together with any interest that has accrued and all costs and expenses that may have been incurred by the Company by reason of that non-payment.
- (2) A share in respect of which the notice under Sch 1A.3(1) has not been complied with may at any time, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
- (3) A person whose shares have been forfeited:
  - (a) ceases to be a Member in respect of the forfeited shares and loses all entitlements on the shares; and
  - (b) remains liable to pay the Company all money that, at the date of forfeiture, was payable by that person to the Company in respect of the shares, plus interest from the date of forfeiture and also reasonable expenses of sale.
- (4) A Member may surrender any share to which a forfeiture notice relates. The Company may deal with surrendered shares in the same way as it deals with forfeited shares.

## SCHEDULE 2

### ELECTION OF DIRECTORS

#### Sch 2.1 Holding of Election

An election of Directors of the Company is to be held by electronic or postal ballot as determined by the Directors except where the number of nominations is equal to or less than the number of vacancies. If the number of persons who are duly nominated does not exceed the number of Directors to be elected separate resolutions will be proposed at the annual general meeting to confirm the appointment of each nominee. The Company's annual general meeting notice will state that an election of Directors will not take place at the annual general meeting and that separate resolutions will be proposed to confirm the appointment of each nominee.

If an election is to be held the directors must decide the election rules which must be made available to Members on request within 7 days after the date on which nominations close.

The directors shall make election rules that are consistent with this Constitution for, or about, the conduct of the elections of directors that this Constitution requires or permits to be prescribed, or that are necessary or convenient to be prescribed – including in relation to:

- (a) the approved methods of voting – which may include voting by electronic means;
- (b) the manner of indicating the candidate for whom an Ordinary Member votes;
- (c) the format and content of Ballot Papers; and
- (d) validating and counting votes.

If election rules are not agreed upon by the directors, the procedures set out in clauses Sch 2.2 to Sch 2.14 of this Schedule apply.

#### Sch 2.2 Appointment of Returning Officers

The Directors must appoint a Returning Officer who may appoint assistant Returning Officers, none of whom can be a Director of the Company or a person who intends to accept a nomination for the office of Director.

#### Sch 2.3 Electoral Roll

The Secretary must prepare and give the Returning Officer a list of Members eligible to vote on the election of Directors, made up to the day before nominations for the election close.

#### Sch 2.4 Nominations

- (a) The Directors must call for nominations at least fifty six (56) days prior to the annual general meeting.
- (b) Nominations close at least thirty five (35) days before the annual general meeting.
- (c) In order to be nominated, a candidate must:
  - (i) be eligible for election under **clause 48** (Qualification of Directors);

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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- (ii) be nominated by two (2) Members;
  - (iii) consent to the nomination and to an assessment under the Fit and Proper Policy in the terms required by the Company; and
  - (iv) give the Returning Officer a notice of nomination and a declaration complying with Schedule 2 before nominations close.
- (d) The Returning Officer must initially accept or reject nominations in accordance with Clause 48 on receipt of the nomination.
- (e) The Returning Officer must cause nominations not rejected pursuant to Clause 48 to be forwarded to the Nominations Committee along with any accompanying documents as soon as practicable thereafter.

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# CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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## Sch 2.5 Declaration by Candidate

A candidate must furnish to the Returning Officer a declaration in such form as the Directors may require:

- (a) as to his or her eligibility for election under **clause 48** (Qualification of Directors);
- (b) that they are not disqualified or prevented by law from being a Director and provide the Company with all information and consents reasonably requested, to determine if they are disqualified or prevented by law from being a Director;
- (c) as to whether he or she:
  - (i) has any interest in a contract or a proposed contract, with the Company other than a contract or a proposed contract to provide financial accommodation; or
  - (ii) holds an office or has an interest in property, whereby, whether directly or indirectly, duties or interests may be created that could conflict with a Director's duties or interests as a Director of the Company;
- (d) that they agree to comply with the Fit and Proper Policy and any codes of practice and procedures for Directors approved by the Directors from time-to-time; and

The provisions of this clause do not apply to retiring Directors seeking re-election.

## Sch 2.6 Interview

- (a) Each Nominee including each retiring Director standing for election must submit to an interview with the Nominations Committee prior to the Postal Ballot being issued.
- (b) The interview can be conducted in such manner as determined by the Nominations Committee.

## Sch 2.7 Rejection of Nomination

- (a) The Returning Officer must scrutinise nominations immediately upon receipt and reject a nomination where it appears to the Returning Officer that the candidate is not eligible under **clause 48** (Qualification of Directors).
- (b) Upon rejecting a nomination, the Returning Officer is to notify immediately the candidate, the candidate's proposers and the Directors.
- (c) The Directors must reject a nomination if the Nominations Committee reports that:
  - (i) The Nominee was unavailable to be interviewed by the Nominations Committee; or
  - (ii) The Nominee failed to provide the Nominations Committee with all information and documentation reasonably requested by the Nominations Committee to determine if the Nominee is of appropriate fitness and propriety to be and act as a Director for the coming term by reference to the Fit and Proper Policy.

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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- (d) The Directors shall determine having regard to the report of the Nominations Committee whether a person is eligible for election under the Fit and Proper Policy.
- (e) Upon determining that a Nominee is not of appropriate fitness and propriety to be an act as a Director for the coming term under the Fit and Proper Policy the Directors are to immediately notify the Returning Officer, the Nominee and their proposer.
- (f) Any Nominee not rejected by the Directors in accordance with this Clause becomes a candidate for election as a Director.

### **Sch 2.8 Appointment of Scrutineer**

- (a) A candidate may appoint a scrutineer and the Directors may appoint a maximum of three scrutineers, none of whom is a candidate or an employee of the Company.
- (b) The duties and responsibilities of scrutineers are to:
  - (i) observe the sorting, counting and recording of ballot papers;
  - (ii) ensure that the votes of unrejected ballot papers are correctly credited to the appropriate candidates; and
  - (iii) raise any query with the Returning Officer regarding any of the ballot papers.

### **Sch 2.9 Ballot Papers**

- (a) After nominations have closed the Returning Officer is to prepare ballot papers for the election.
- (b) The order in which the candidates appear on the ballot paper is to be determined by the Returning Officer by lot.
- (c) The Returning Officer must cause some authenticating mark to appear on each ballot paper prior to their distribution to Members.

### **Sch 2.10 Postal Vote**

- (a) The Returning Officer must send to each Member who is eligible to vote on an election of Directors at least twenty one (21) days before the annual general meeting:
  - (i) a ballot paper;
  - (ii) an unsealed envelope marked "Ballot Paper";
  - (iii) an unsealed envelope, marked "Returning Officer", the reverse side of which shall bear the following:
    - Name of Member
    - Member's Address
    - Member's Signature

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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- (iv) a postal envelope addressed to the Returning Officer.
- (b) Ballot papers may be delivered personally or posted to Members at their addresses shown in the Register of Members.
- (c) Any Member exercising a right to vote must:
  - (i) complete the ballot paper in accordance with this Schedule;
  - (ii) place the ballot paper in the envelope marked "Ballot Paper";
  - (iii) place the sealed "Ballot Paper" envelope in the envelope marked "Returning Officer", complete it and return it to the Returning Officer.
- (d) A Member must ensure that his or her ballot papers are received by the Returning Officer by close of business on the day fixed for the closing of the ballot.
- (e) Any ballot paper not received by the Returning Officer prior to the closing of the ballot is excluded from the ballot.
- (f) Any ballot paper received by the Returning Officer is to be kept in secured ballot boxes until the closure of the ballot.
- (g) A Member who has not received a ballot paper or has spoiled it may send to the Returning Officer a declaration to that effect and the Returning Officer must:
  - (i) send a duplicate ballot paper to that Member;
  - (ii) mark the envelope marked "Returning Officer" "Duplicate"; and
  - (iii) keep a record of all duplicate ballot papers issued.

### **Sch 2.11 Closure of the Ballot**

The ballot closes at least seven (7) days before the annual general meeting.

### **Sch 2.12 Procedures After Close of the Ballot**

- (a) As soon as practicable after the close of the ballot, the Returning Officer must deal with the ballots as follows:
  - (i) open all postal envelopes and extract envelopes marked "Returning Officer";
  - (ii) for each envelope marked "Returning Officer", mark the Member's name as shown on the envelope off the electoral roll;
  - (iii) where a duplicate ballot paper has been issued and the original envelope marked "Returning Officer" received, mark the original envelope "rejected";
  - (iv) if the envelope marked "Returning Officer" has not been signed, or the signature is identified as not being the Member's or there is insufficient detail to identify the Member, mark the envelope "rejected";

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## CONSTITUTION OF QUEENSLAND COUNTRY CREDIT UNION LIMITED

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- (v) extract the envelopes marked "Ballot Paper" from all unrejected envelopes marked "Returning Officer", ensuring that no envelope marked "Ballot Paper" could subsequently be identified with any particular Member;
  - (vi) when all the envelopes marked "Returning Officer" have been so dealt with, cause all the envelopes marked "Ballot Paper" to be opened and the ballot papers to be taken out;
  - (vii) cause the ballot papers to be scrutinised under his or her supervision and reject such ballot papers as he or she finds to be informal;
  - (viii) using electronic means:
    - (i) check validity of the ballot paper; and
    - (ii) record receipt of the ballot paper;
  - (ix) count the votes in accordance with **clause Sch 2.13** (Voting System). Counting of votes may be undertaken manually, electronically or by using scanning technology and equipment or a combination of such methods;
  - (x) prepare and sign a declaration of the ballot as to:
    - a. the number of ballot papers lodged;
    - b. the number of formal votes;
    - c. the number of informal votes;
    - d. the number of votes cast for each candidate; and
    - e. the names of those persons elected.
  - (xi) deliver the statement to the Company's Secretary.
- (b) A ballot paper is informal if:
- (i) it is not authenticated by the authenticating mark of the Returning Officer; or
  - (ii) it has no vote indicated on it or it does not clearly indicate the Member's preference for a candidate.
- (c) The Returning Officer must preserve the ballot papers for a period of three (3) months after the declaration of the ballot and will then arrange for their destruction.
- (d) No election shall be voided on account of any error or omission of the Returning Officer which did not affect the results of the election.

### **Sch 2.13 Voting System**

- (a) On any ballot, the persons receiving the highest number of votes in accordance with the numbers of vacancies to be filled are elected directors.



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- (b) In the case of an equality of votes, the person to be elected must be decided by lot.

### Sch 2.14 Electronic Voting

- (a) If the Company has an Electronic Voting System which permits Members to vote for the election of Directors by electronic means, then the Board may determine:
- (i) that Members may record their votes in the election by electronic means; and
  - (ii) the manner in which Members will be identified for the purposes of voting in the election.
- (b) For the purposes of this Clause:
- (i) If a determination has been made pursuant to Clause 2.14(a) the term ballot paper includes, when appropriate, a vote submitted by a member electronically using the Electronic Voting System; and
  - (ii) Electronic Voting System means the system approved by the board, which enables members to submit their vote by an electronic or telephonic device.
- (c) If the Board makes such a determination:
- (i) Members may vote by post or by electronic means, but may only vote once;
  - (ii) the Returning Officer shall, to facilitate voting by electronic means, provide Members an interactive copy of the ballot paper in a secure online system and make available reasonable information and voting instructions to assist the voting process. Requirements for an authenticating mark of the Returning Officer on the ballot paper shall not apply, but the Returning Officer must ensure that a Member cannot vote by electronic means more than once in the election;
  - (iii) a Member who votes by electronic means must ensure that his or her vote is submitted to the Returning Officer in accordance with any instructions given for voting by electronic means;
  - (iv) in respect of any vote received by the returning officer by electronic means, the Returning Officer must ensure that the fact that the member has voted is recorded;
- (d) the returning officer must cause all votes received by electronic means to be recorded in such away that they cannot subsequently be identified with any particular member.
- (e) if a member lodges both a vote by post and a vote by electronic means, then the returning officer must:
- (i) if one of the votes is informal, accept the formal vote; and
  - (ii) if both votes are formal, accept the vote received first.
- (f) the election procedures set out in the preceding clauses of Schedule 2 are deemed to be otherwise modified to the extent necessary to permit voting by electronic means.

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- (g) For electronic voting, the Returning Officer is not liable for an electronic ballot paper not received as a result of any failure in the electronic information or computer system of the Company, of the member or of any third party provider.

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## SCHEDULE 2A

### NOMINATIONS COMMITTEE

#### Sch 2A.1 Appointment

1.1 The Board shall establish a Nominations Committee comprising one Director and two persons independent of the Board and Executive Management. Employees of the Company are not eligible to be appointed to the Nominations Committee.

The Director shall not be a Director standing for election and at least one independent should have extensive knowledge and experience in Board governance and financial services, either as a Director or manager.

Each person on the Nominations Committee must enter into an agreement with the Company to keep confidential their assessments under Sch 2A.2, during and after their appointment.

1.2 The Directors may at any time and in their absolute discretion:

- (a) Suspend or terminate the appointment of a Director as a member of the Nominations Committee; and
- (b) Give directions to the Nominations Committee as to the procedures it is to follow.

#### Sch 2A.2 Role

2.1 The Nominations Committee shall assess:

- (a) Persons for election or appointment as a Director; and
- (b) Persons to be appointed to the Board to fill a casual vacancy

prior to election or appointment to determine their fitness and propriety for appointment in accordance with the requirements of the Fit and Proper Policy.

2.2 After interviewing all persons seeking election or appointment as a Director the Nominations Committee shall provide to the Directors as soon as practicable and in any event for persons seeking election as a Director at least 5 days prior to the issuing of ballot papers to members with a report stating the:-

- (a) Name of each person interviewed by the Nominations Committee;
- (b) Name of each person who was unavailable to be interviewed by the Nominations Committee;
- (c) Name of each person who failed to provide the Nominations Committee with all information and documentation reasonably requested by the Nominations Committee to determine if the person is of appropriate fitness and propriety for appointment/election by reference to the Fit and Proper Policy or is disqualified or prevented by law from appointment/election;
- (d) Name of each person who demonstrated appropriate fitness and propriety by reference to the Credit Union's Fit and Proper Policy; and

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- (e) Name of each person who failed to demonstrate appropriate fitness and propriety by reference to the Fit and Proper Policy.

## SCHEDULE 3

### STANDING ORDERS FOR GENERAL MEETINGS

The rules of debate at a general meeting of the Company are:

- (a) Time Limits for Speakers:
  - (i) the mover of a motion may speak for no more than ten (10) minutes;
  - (ii) subsequent speakers may speak for no more than five (5) minutes;
  - (iii) the mover of the motion may reply for no more than five (5) minutes;
  - (iv) the meeting is free to extend the time a speaker may speak.
- (b) Amendment:
  - (i) on an amendment being proposed to an original motion, no second amendment may be considered until the first amendment has been dealt with;
  - (ii) an amendment, when carried, displaces the original motion and becomes the motion to which any further amendment may be moved;
  - (iii) if the amendment is not carried, then further amendments to the original motion may be considered.
- (c) Speakers:
  - (i) the mover of an original motion has a right to reply;
  - (ii) the mover of an amendment does not have a right of reply;
  - (iii) otherwise, a member may speak only once on the same question except to raise a point of order or, with the consent of the chairperson of the meeting, to give an explanation.
- (d) Every motion and every amendment to a motion must be submitted in writing as and when the chairperson of the meeting requests.
- (e) Closure of debate:
  - (i) debate on a motion or an amendment may be brought to a close by a resolution "that the question be now put";
  - (ii) the motion "that the question be now put" must be put to the meeting without debate.

## SCHEDULE 4

### CONSIDERATION OF DEMUTUALISATION RESOLUTIONS

#### 1. Interpretation

In this Schedule, unless the contrary intention appears:

**'Additional Information'** means:

- (a) an explanation as to how the Demutualisation Resolution will affect Member rights as a holder of Shares and as a customer of the Company;
- (b) an explanation as to the effect of the Demutualisation Resolution on the Company and Members with respect to:
  - (i) the rights of Members to vote and to participate in the distribution of profits and reserves of the Company and the loss of any such rights; and
  - (ii) the effect on the business, operations, employees, products, services, pricing and distribution network of the Company;
- (c) an explanation of the mutuality benefits to Members that will be lost if the Demutualisation Resolution is passed; and
- (d) an explanation of the availability and effect of other alternatives to Demutualisation Resolution.

**'Ballot Closing Date'** means the date upon which a Direct Ballot closes, being a date fixed by the Returning Officer under clause 4.6 of this Schedule and specified in the notice referred to in clause 4.7(e) of this Schedule.

**'Demutualisation Resolution'** means a proposed resolution, or combination of proposed resolutions:

- (a) which, if passed, will or may result in:
  - (i) the Company ceasing to be an authorised deposit-taking institution that can or could assume or use the expression "Credit Union", "Credit Society" or "Credit Co-operative" without committing an offence under the Banking Act 1959; or
  - (ii) a voluntary transfer of the Company's business, pursuant to the Financial Sector (Transfers of Business) Act 1999, to an Entity that is not an authorised deposit taking institution that can or could assume or use the expression "Credit Union", "Credit Society" or "Credit Co-operative" without committing an offence under the Banking Act 1959; or
  - (iii) Membership Shares becoming transferable or capable of sale or assignment; or
  - (iv) a Member becoming entitled to hold more than one Membership Share; or

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- (v) a right to vote attaching to any Share other than a Membership Share;  
or
- (b) in relation to which the consent of the Treasurer is required pursuant to either section 63 of the Banking Act 1959 or section 11 of the Financial Sector (Shareholdings) Act 1998, unless the consent is required for the purposes of a voluntary transfer of the Company's business, pursuant to the Financial Sector (Transfers of Business) Act 1999, to an Entity that is an authorised deposit taking institution that can or could assume or use the expression "Credit Union", "Credit Society" or "Credit Co-operative" without committing an offence under the Banking Act; or
- (c) the effect of which would be to modify or repeal any clause in this Schedule; or
- (d) the effect of which would be to modify or repeal the Constitution where the effect of the modification or repeal is to modify, exclude or restrict the operation of the Clauses in this Schedule.

**'Direct Ballot'** means a ballot of Members in respect of a Demutualisation Resolution that is conducted in accordance with Clause 4 of this Schedule.

**'Directors' Statement'** means a statement by the Directors containing:

- (a) the recommendation of each Director as to whether the Demutualisation Resolution should be passed and their reasons for making that recommendation;
- (b) details of any benefit to be received by the Directors if the Demutualisation Resolution is passed.

**'Entity'** includes any:

- (a) incorporated or unincorporated bodies;
- (b) trust or partnership; or
- (c) any legal, administrative or fiduciary arrangement, organisational structure or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

**'Information'** means:

- (a) a disclosure statement that:
  - (i) contains all the information that Members would reasonably require and expect to be given to make an informed decision about the Demutualisation Resolution, including but not limited to the Additional Information;
  - (ii) states that the Demutualisation Resolution may alter the Company's mutual structure and outlines the intentions of the Member or Entity seeking to convene or convening a meeting of the Company;
  - (iii) in relation to the future of the Company if the Demutualisation Resolution is passed;

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- (iv) in relation to Members' interests if the Demutualisation Resolution is passed;
  - (v) in relation to the Directors if the Demutualisation Resolution is passed; and
  - (vi) explains the effect the passing of the Demutualisation Resolution is likely to have on the business, operations, employees, products, services, pricing and distribution network of the Company;
- (b) an estimate of the financial benefits (if any) the Members, the Directors and/or other officers of the Company will be offered if the Demutualisation Resolution is passed;
- (c) a report by an expert that:
- (i) states whether, in the expert's opinion:
  - (ii) the Demutualisation Resolution is in the best interests of the Members of the Company as a whole;
  - (iii) whether the Demutualisation Resolution is fair and reasonable to Members having regard to any change of voting rights and the right to participate in profits and reserves; and
  - (iv) sets out the expert's opinions in relation to the Additional Information; and
  - (v) gives the expert's reasons for forming those opinions; and
  - (vi) complies with the requirements of clause 33 of Schedule 4 of the Corporations Act;
  - (vii) contains any additional information required to be provided under the Corporations Act.

**'Requisitionists'** means the Members who request the convening of a general meeting that is convened by the Directors at the request of Members made under clause 29.3 or who call the meeting in accordance with sections 249E or 249F of the Corporations Act.

**'Returning Officer'** means a person appointed by the Directors as a Returning Officer under clause 4.1 of this Schedule.

**'Special Resolution'** means a resolution:

- (a) in relation to which notice as set out in paragraph 249L(1)(c) of the Corporations Act has been given; and
- (b) that has been passed by at least 75% of the votes cast by Members entitled to vote on the resolution.

## 2. Application of Schedule 4

Notwithstanding any provision contained in this Constitution to the contrary, this Schedule will apply if a meeting of the Company is convened, or is to be convened, at which a Demutualisation Resolution will be considered.



### 3. Requirement for General Meeting and Direct Ballot

If a meeting of the Company is convened, or is to be convened, at which a Demutualisation Resolution will be considered:

- (a) A general meeting may be convened and conducted in accordance with this Constitution to consider the Demutualisation Resolution as a Special Resolution;
- (b) The information required by clause 5 of this Schedule must be provided to Members in convening the general meeting to consider the Demutualisation Resolution;
- (c) The Demutualisation Resolution shall only be passed at the general meeting if at least 75% of the votes cast by Members entitled to vote on the Demutualisation Resolution approve the Demutualisation Resolution;
- (d) The Demutualisation Resolution, if passed at the general meeting, shall not have any effect unless and until:
  - (i) a Direct Ballot is held within 4 months of the date of the general meeting to consider whether the adoption of the Demutualisation Resolution should be approved; and
  - (ii) by the Ballot Closing Date the Company has received votes from 25% of Members entitled to vote; and
  - (iii) of the votes received from Members entitled to vote by the Ballot Closing Date, 75% of the votes are in favour of approving the adoption of the Demutualisation Resolution.

### 4. Conduct of Direct Ballot

- 4.1 Within 7 days of a Demutualisation Resolution being passed at a general meeting the Directors must appoint a Returning Officer, who must not be a Director or Officer of the Company, and who must then conduct a Direct Ballot in accordance with this clause 4.
- 4.2 The Returning Officer must prepare a roll of the full names and addresses of the Members of the Company, as disclosed by the Register of Members as at midnight on the day before the general meeting referred to in Clause 3(a) of this Schedule, who are Members.
- 4.3 Only Members who are Members as at midnight on the day before the general meeting referred to in Clause 3(a) of this Schedule are entitled to vote in the Direct Ballot.
- 4.4 The Returning Officer must cause ballot papers to be prepared for the Direct Ballot.
- 4.5 Each ballot paper must be initialled or marked by the Returning Officer or an appointed assistant.
- 4.6 The Returning Officer must fix a Ballot Closing Date, which must be a date not more than 4 months after the date of the general meeting at which the Demutualisation Resolution was passed.

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- 4.7 The Returning Officer must, at least 30 days prior to the Ballot Closing Date, send by post or otherwise deliver to every Member entitled to vote one set of the following material:
- (a) one ballot paper;
  - (b) an envelope (in this Schedule referred to as the outer envelope) addressed to the Returning Officer;
  - (c) a smaller envelope (in this Schedule referred to as the middle envelope), the reverse side of which contains provision for the name, membership number and signature of the Member;
  - (d) a small envelope marked "Ballot Paper" (in this Schedule referred to as the inner envelope) into which the ballot paper is to be enclosed;
  - (e) a notice which sets out:
    - (i) details of the Demutualisation Resolution upon which the decision of the Members is to be sought;
    - (ii) details of the number of Members who were eligible to vote at the general meeting at which the Demutualisation Resolution was passed and of the number of those Members who voted;
    - (iii) the Ballot Closing Date;
    - (iv) instructions for voting; and
    - (v) such further information, if any, as the Directors consider appropriate; and
  - (f) the Information supplied to the Company and the Directors Statement.
- 4.8 The Returning Officer may send a duplicate ballot paper to any Member if the Returning Officer is satisfied:
- (a) that the Member has not received a ballot paper; or
  - (b) that the ballot paper received by the Member has been lost, spoilt or destroyed and the Member has not already voted.
- 4.9 A Member casts a vote in the Direct Ballot by:
- (a) firstly, completing the ballot paper according to the instructions on the ballot paper;
  - (b) secondly, placing the completed ballot paper in the inner envelope;
  - (c) thirdly, completing the details on the reverse side of the middle envelope and signing the middle envelope;
  - (d) fourthly, placing the middle envelope in the outer envelope; and
  - (e) fifthly, sending the outer envelope to the Returning Officer so that it is received by noon on the Ballot Closing Date.

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- 4.10 The Returning Officer must:
- (a) provide a ballot box or boxes which must be locked immediately before the ballot papers are delivered to Members in accordance with Clause 4.7 and must remain locked until noon on the Ballot Closing Date; and
  - (b) place all outer envelopes received from Members in the ballot box or boxes as they are received.
- 4.11 The counting of votes received by Direct Ballot shall be supervised by the Returning Officer.
- 4.12 The Returning Officer may be assisted in the performance of his or her duties by any person (who would be eligible to be a Returning Officer) appointed by the Returning Officer.
- 4.13 Ballot papers received after noon on the Ballot Closing Date are informal and must not be taken into account in the Direct Ballot.
- 4.14 As soon as practicable after noon on the Ballot Closing Date, the Returning Officer must, in the presence of such scrutineers as may be appointed by the Directors, open the ballot box or boxes and deal with the contents in accordance with Clause 4.15.
- 4.15 The Returning Officer must:
- (a) remove the middle envelope from the outer envelope;
  - (b) if a duplicate outer envelope has been issued and the original outer envelope is received, reject the original envelope and mark it "Rejected"; and
  - (c) according to the information on the middle envelope, for each set of voting papers returned, mark the Member's name on the roll;
  - (d) if a Member's name has already been marked on the roll, reject the vote and mark it "Rejected"; and
  - (e) if the middle envelope has not been signed, or if the details shown on the envelope are not sufficient to disclose by whom the vote is being exercised, reject the envelope and mark it "Rejected"; and
  - (f) extract the inner envelopes containing the ballot papers from all un-rejected middle envelopes, separating the contents from the middle envelopes in such a way that no inner envelope could subsequently be identified with any particular Member; and
  - (g) when all the middle envelopes have been dealt with in the above manner, open all un-rejected inner envelopes and take the ballot papers from them.
- 4.16 Ballot papers must be scrutinised by the Returning Officer who must reject as informal any ballot paper that:
- (a) is not duly initialled or marked by the Returning Officer; or
  - (b) is so imperfectly completed that the intention of the Member cannot be ascertained by the Returning Officer; or

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- (c) has any mark or writing not authorised by this Schedule which, in the opinion of a Returning Officer, will enable the Member to be identified; or
  - (d) has not been completed as prescribed on the ballot paper itself.
- 4.17 No meeting of Members is required to be held for the counting of the votes received by the Company by Direct Ballot.
- 4.18 The Returning Officer must count all votes cast and make out and sign a statement of:
- (a) the number of formal votes in favour of approving the adoption of the Demutualisation Resolution;
  - (b) the number of formal votes against approving the adoption of the Demutualisation Resolution;
  - (c) the number of informal votes;
  - (d) the number of middle envelopes marked "Rejected";
  - (e) the proportion of the formal votes that were in favour of approving the adoption of the Demutualisation Resolution.
- 4.19 The Returning Officer must forward a copy of the statement to the Chairperson of the Company.
- 4.20 Following the counting of votes in the Direct Ballot the Company:
- (a) will display the result on the notice board at the Office and on the Company's website;
  - (b) will notify Members of the result of the Direct Ballot within 21 days; and
  - (c) retain the Direct Ballot votes in the possession of the Company for a period of 3 months, at the end of which period they will be destroyed.

### **5. Disclosure Requirements**

- 5.1 If a meeting of the Company at which a Demutualisation Resolution will be considered is convened or is to be convened in accordance with Clause 29.3(a), or otherwise than in accordance with Clause 29.3(b):
- (a) the Member or Members requesting the convening of the meeting shall at the time of requesting the convening of the meeting provide the Information to the Company; and
  - (b) the Company shall at the time of convening the meeting provide the Members with:
    - (i) notice of the Demutualisation Resolution and of the intention to consider the Demutualisation Resolution as a special resolution in accordance with section 249L(1)(c) of the Corporations Act;
    - (ii) the Information supplied to the Company;

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(iii) the Directors' Statement; and

(iv) such further information, if any, as the Directors consider appropriate.

5.2 If a meeting of the Company at which a Demutualisation Resolution will be considered is convened or is to be convened in accordance with Clause 29.3(b), the Member or Members requesting the convening of the meeting shall at the time of convening the meeting provide the Information to the Members.

### 6. **Termination of this Schedule**

6.1 This Schedule will cease to have effect if and when the Australian Securities and Investments Commission or its successor publishes a notice to that effect and gives a copy of the notice to the Company.