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CREDIT UNION CENTRAL

Registered Number 1802848

Notice to the registrar of amendment of rules

RULES

The last completed amendment of the rules of the Credit Union was registered on 11th December 2013. This new partial amendment of the rules of the Credit Union was approved by members at the Annual General Meeting of the Credit Union on 1st December 2015.

The amendments comprise 4 pages including this page

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

[Signature]Member *[Signature]*Member

[Signature]Member *[Signature]*Secretary

Registered this day
of December 2015.
[Signature]
Deputy Registrar of Friendly Societies and Credit Unions



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Note 22	<u>Meetings of Members</u> Where the membership of the Credit Union exceeds 1000 members, an application made by 100 members	Amended to Where the membership of the Credit Union exceeds 1000 members, an application made by 10% of members	Ensure there is reasonable widespread support from members before meeting can be called.
Rule 25	At annual and special meetings 15 members present in person shall constitute a quorum...	Added ...or such other quorum as may be prescribed by applicable law	To comply with regulation 5 of schedule 11 of the FMC Regulation 2014. The wording accommodates proposed changes to the current quorum regulations by MBIE around July 2016. (i.e. does not specify the current 25% quorum threshold as currently in the Regulations).
Rule 26	<u>Elections</u> Such nominations should be of members who are likely to pass a "fit and proper" assurance check and the nominating committee will circulate at the annual meeting a written curriculum vitae for each person so nominated detailing their relevant skills and experience.	Added Such nominations should be of members who have completed the "Fit and Proper Person Declaration", the "Suitability Notice for Directors" as prescribed by the NBDT Act the "Personal Information Statement", and are subject at all times to any requirements prescribed by the Reserve Bank of New Zealand for Credit Union Directors.	Added, the "Suitability Notice for Directors" as prescribed by the NBDT Act, to ensure Directors of the Credit Union meet the requirements of the NBDT Act.
Rule 27	<u>Right of Voting</u> Every member shall be entitled to vote and shall have one vote only	Added and must have attained the age of sixteen (16) years by the closing date for voting.	Provide clarity and align with other credit unions and common practice.
Rule 39	<u>Duties of the Treasurer</u> Financial Report Act 1993	Amended to: Financial Reporting Act 2013 Added "and part 7 of the FMC Legislation"	Update as per Financial Reporting Act 2013. Addition to include requirements of the FMC Legislation.
Rule 50	<u>Appointment of External Auditor</u> The Credit Union shall appoint a properly qualified and independent external auditor to audit the financial statements of the Credit Union each year in accordance with Sections 122 and 123 of the Act and in accordance with the Securities Act 1978.	Amended to: The Credit Union shall appoint a properly qualified and independent external auditor to audit the financial statements of the Credit Union each year in accordance with sections 65 and 123 to 124 of the Act in accordance with the FMC Legislation and the Trust Deed.	Addition of section 124 of the Act Update requirements of FMC legislation and Trust Deed.

Old Rule Number	Old Rule Reference	New Rule Description	Comments
Where applicable	"Prudential Supervisor"	"Supervisor"	In accordance with the transition from the Securities Act to the Financial Markets Conduct Act 2013.
Where applicable	"Securities Commission"	"Financial Markets Authority"	
Where applicable	"Securities Act 1978"	"Financial Markets Conduct Act 2013"	
Where applicable	"Reserve Bank of New Zealand Act 1989"	"Non-bank Deposit Takers Act 2013" (NBDT Act)	Section 5D of the Reserve Bank of New Zealand Act 1989 has been repealed and replaced with the Non-bank Deposit Takers Act 2013.
Where applicable	<u>Interpretation</u> "Exemption Notice" means any exemption notice for or applicable to Credit Unions issued by the Securities Commission pursuant to the Securities Act 1978;	"Exemption Notice" means any exemption notice for or applicable to Credit Unions issued by the FMA pursuant to the FMC Legislation;	In accordance with the transition from the Securities Act to the Financial Markets Conduct Act 2013.
Where applicable	N/A	"FMA" means the Financial Markets Authority;	In accordance with the transition from the Securities Act to the Financial Markets Conduct Act 2013
Where applicable	N/A	"FMC Legislation" means the Financial markets Conduct Act 2013 and the Financial markets Conduct Regulations 2014, except that until the date the Credit Union registers the Trust Deed and any other relevant offer documents required for the FMC Legislation on the Disclose Register, shall mean the Securities Act 1978 and the Securities Regulations 2009.	In accordance with the transition from the Securities Act to the Financial markets Conduct Act 2013
Where applicable	N/A	"NBDT Act" means the Non-bank Deposit Takers Act 2013;	A new definition has been included to define the NBDT Act. Section 5D of the Reserve Bank of New Zealand Act 1989 has been repealed and replaced with the Non-bank Deposit Takers Act 2013.

Rule 50	<u>Appointment of External Auditor</u> The Credit Union shall appoint a properly qualified and independent external auditor to audit the financial statements of the Credit Union each year in accordance with Sections 122 and 123 of the Act and in accordance with the Securities Act 1978.	Amended to: The Credit Union shall appoint a properly qualified and independent external auditor to audit the financial statements of the Credit Union each year in accordance with sections 65 and 123 to 124 of the Act in accordance with the FMC Legislation and the Trust Deed.	Addition of section 124 of the Act Update requirements of FMC legislation and Trust Deed.
Rule 51	<u>Prudential Supervision</u> The Credit Union agrees to provide security to the Prudential Supervisor for the benefit of Members	Amended to: The Credit Union agrees to grant to the Supervisor a charge in and over its secured property and assign by way of security to the Supervisor all secured property that constitutes present or future rights or things in action.	The Proposed Trust Deed replaces the previous 'equitable assignment' provisions with normal charge provisions that are given under common Financial Market Conduct Act trust deeds.
Note 64	<u>Disqualification of Patron, Directors and Trustees</u>	New Has raised one or more suitability concerns and the RBNZ has informed the Credit Union that it does not intend to give a notice of non-objection in respect of that director	Addition to ensure Directors of the Credit Union meet the suitability requirements of the NBDT Act.
Note 67	<u>Dividends</u> Subject to any additional requirement under the Act (including Sections 117A to 117D of the Act), dividends on shares may be paid to members as follows	Added Subject to any additional requirement under the Act (including Sections 117A to 117D of the Act), dividends on shares may be paid to members as follows (Subject to compliance with the Trust Deed and the Act)	Section 119 "Credit Union to maintain general reserves" under the Friendly Societies and Credit Unions Act 1982 has been repealed. The minimal levels of capital required to be held by the Credit union are now governed by the Deposit Takers (Credit Ratings, Capital Ratios and Related Party Exposures) Regulation 2010. As such the Reserve Fund is no longer required

