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Manchester Unity Friendly Society
Association of Manchester Unity Credit Unions
Complete Amendment of Association Rules

Registered Number: 823

All existing Association of Manchester Unity Credit Unions Special Rules are now cancelled and these rules shall apply in substitution therefor.

The attached complete amendment of the Association of Manchester Unity Credit Unions was approved by members at a General Meeting of the Association on 31 October 2003.

The amendment comprises eleven pages:

RULES OF THE ASSOCIATION OF MANCHESTER UNITY CREDIT UNION

1. **NAME**

The name of the Association shall be "Association of Manchester Unity Credit Unions".

2. **INTERPRETATION**

"Association" means the Association of Manchester Unity Credit Unions.

"Committee of Management" means the Committee formed under Rule 7.

"Credit Union" means any society registered or deemed to be registered under Part III of the Friendly Societies and Credit Unions Act 1982.

"Delegate" means a person elected by a member to attend General Meetings of the Association.

"Member" means a Credit Union admitted to membership of the Association pursuant to these rules.

"Registrar" means the Registrar of Credit Unions.



“Secretary” means the person appointed under Rule 9.

“The Act” means the Friendly Societies and Credit Union Act 1982 together with any amendment thereto and any Act passed in substitution therefore and any regulation or Order in Council made under the Act.

“Treasurer” means a person appointed under Rule 10.

“Trustee” means a person appointed under Rule 11.

3. **OBJECTS**

The objects of the Association shall be:

- (a) To promote the interests of and strengthen the co-operation among members.
- (b) To render services to and act on behalf of its members in such matters as the Committee of Management shall decide and including:
 - (i) Dealing with governmental departments, agencies, tribunals, commissions and other quasi-government bodies.
 - (ii) Liaising with other Credit Unions and like organisations.
 - (iii) Conducting and providing such other services as may be deemed necessary or expedient for the attainment of the objects of the Association.
- (c) To encourage the formulation, adoption and observance by members of standards and conditions governing the carrying on of the members business.
- (d) To supervise and examine the affairs of its members in such manner as may be decided by the Committee of Management.
- (e) To provide services to members and including:
 - (i) To receive deposits or subscriptions (other than annual subscriptions) from members for such purposes as may be specified.
 - (ii) To make loans to members.
 - (iii) To establish and maintain a central funding scheme for the benefit of members.
 - (iv) To levy members such amount or amounts for such purposes and in such manner as may from time to time be specified.



- (v) To provide and/or administer any scheme to supply fidelity insurance, savings insurance or loan protection insurance.
 - (vi) To undertake training and/or education programmes for members or the members of Credit Unions or the public.
 - (vii) To provide advisory services for members.
 - (viii) To arrange, provide or co-ordinate data processing, computer or banking services for members.
- (f) To do all such other things as may be incidental or conducive to the attainment of any of the other objects of the Association and are not contrary to the provisions of the Act.

4. **REGISTERED OFFICE**

The registered office of the Association shall be at the Manchester Unity Building, 120 Lambton Quay, Wellington or at such other place as the Association in general meeting shall decide.

5. **MEMBERSHIP**

- (a) The members of the Association shall be the Credit Unions by which the Association was formed and any other Credit Unions that are admitted to membership of the Association in accordance with these rules.
- (b) Every application for membership shall be in writing in the form from time to time prescribed by the Committee of Management.
- (c) Every member shall pay an annual membership fee as determined at the Annual General Meeting of the Association.
- (d) Members shall forward to the Association a copy of their Annual Financial Statements and all reports associated therewith by 30 June next following the balance date.
- (e) Members shall forward to the Association such other reports as may be requested by the Committee of Management.
- (f) Failure to pay fees or levies within the prescribed time by any member may result in suspension of that member and make the member liable to collection procedures for any amounts owing.

6. **GOVERNMENT**

- (a) The Association shall be governed by an Annual General Meeting and between the meetings its affairs shall be conducted by the Committee of Management.



- (b) General Meetings shall be comprised of the Secretary and of delegates elected by members in accordance with the provisions of the rule of the respective members.
- (c) Every member shall be entitled to send up to two delegates to general meetings but should any member send only one delegate then that delegate may exercise two votes.
- (d) A member shall not be obliged to appoint as a delegate the Chairman of the Association.
- (e) Any member of the Management Committee. The trustees and the treasurer may (if not an elected delegate) attend general meetings, speak, move and second motions but shall have no vote.
- (f) The Chairman shall have a casting vote provided that if he/she is a delegate then he/she shall also have a deliberative vote.
- (g) The Annual General Meeting shall be held each year at such time and place as the Committee of Management shall designate but not later than 30th November each year.
- (h) Special meetings of the Association may be called at any time by:
 - (i) The Chairman of the Association; or
 - (ii) The Secretary of the Association; or
 - (iii) Any one of the Trustees of the Association.
- (i) The Secretary shall on receipt of a requisition by not less than 5 members of the Association forthwith call a special general meeting.
- (j) At least 21 days before any general meeting the Secretary shall cause written notice thereof to be given to each member at the address of the member appearing on the records of the Association.
- (k) The order of business of Annual General Meetings shall be:
 - (i) Approving the minutes of the previous meeting.
 - (ii) Report of Committee of Management
 - (iii) Financial Reports
 - (iv) Secretary's Report
 - (v) Trustees Report
 - (vi) Any other Reports
 - (vii) Appointment of Auditor
 - (viii) Setting of annual fee
 - (ix) Notices of business
 - (x) Any other business which the meeting unanimously decides to consider.



- (l) The meeting may suspend or vary the order of business upon a two-thirds vote to do so.
- (m) At all general meetings to achieve a quorum a majority of members of the Association must be represented. If there is no quorum present the meeting shall be adjourned to a date not less than 7 or more than 21 days thereafter and the delegates present at any date to which the meeting is adjourned shall constitute a quorum regardless of the number present. Five days prior notice shall be given of the date to which the meeting is adjourned.

7. **COMMITTEE OF MANAGEMENT**

(a) **Composition**

- (i) The Committee of Management shall be made up of the Secretaries of member Credit Unions, the Secretary of the Association and the Chairman of the Association.
- (ii) A majority of Committee of Management members shall constitute a quorum at any meeting thereof. If there is no quorum present the meeting shall be rescheduled from time to time until a quorum is present.
- (iii) The Committee of Management shall meet at least twice each year.
- (iv) The Committee of Management may from time to time establish sub-committees and appoint persons from outside the committee to a sub-committee.
- (v) A member may appoint someone other than its Secretary as its representative on the Committee of Management.

(b) **Duties**

- (i) To have responsibility for the management of the affairs and records of the Association.
- (ii) To report on the Association's activities at each Annual General Meeting of the Association.
- (iii) To organise and promote training and educational programmes to enable members and their shareholders to understand more fully the philosophy, functions, responsibilities and service ideals of the Credit Union movement.
- (iv) To act upon applications for membership.



- (v) To ensure compliance with Section 117 of the Act in relation to investments by the Trustees.
- (vi) To fix the amount and the nature of the surety bonds which shall be required of the Secretary and of every other officer or other employee having custody of funds or property.
- (vii) To determine from time to time the rate of interest consistent with the provisions if any prescribed by law which should be charged on loans made by the Association.
- (viii) To determine the interest rate which shall be paid on deposits held on behalf of members.
- (ix) To authorise the employment of such person or persons as may be necessary to carry on the business of the Association and fix the remuneration of the Secretary and Treasurer.
- (x) To provide insurance services to members either directly or as agents.
- (xi) To ensure that the Association complies with all of its obligations under the provisions of the Act.
- (xii) To give meaningful effect to the objects of the Association outlined in these rules.
- (xiii) To perform such other duties as the annual General Meeting may from time to time require.
- (xiv) To perform or authorise any action consistent with law and these rules not specifically reserved by these rules for the delegates.

(c) Conference Calls

Notwithstanding the provisions of clause 7(a) the Committee of Management may at any time conduct business by Conference calls subject to compliance with the quorum provisions.

(d) Vacation of Office

A Committee of Management member shall vacate his office immediately he:

- (i) Becomes bankrupt or makes any arrangement or composition with his creditors; or



- (ii) **Becomes of unsound mind or becomes a protected person under the Aged and Infirm Persons Protection Act 1912; or**
- (iii) **Resigns his office by notice in writing to the Association; or**
- (iv) **Has been convicted of an offence involving fraud or dishonesty.**

8. **Chairman**

The Chairman of the Association of Credit Unions shall be elected annually by the Committee of Management at the first meeting after the annual general meeting and shall preside at all meetings of the Association and the Committee of Management and shall perform such other duties as customarily appertain to the office of Chairman or as he/she may be directed to perform by resolution of the Association not inconsistent with the provisions of law or of these rules.

The Chairman need not be the Secretary of a Member Credit Union or a delegate to the annual general meeting of a Member Credit Union.

A Deputy Chairman shall be elected annually by the Committee of Management and shall have and exercise all the powers, authority and duties of the Chairman during the absence of the Chairman or during any period when the Chairman is unable to act.

9. **Secretary**

- (a) There shall be a secretary of the Association who shall be appointed by the Committee of Management. He/she shall be responsible to the Committee of Management for the administration of the Association. His/her general duties shall be determined by the Committee of Management. His/her specific duties are:
 - (i) To set up and maintain at the registered office of the Association, an indexed register of members as required by the Act.
 - (ii) To prepare and maintain full and correct records of all meetings of the Association, Committee of Management and any sub-committees thereof.
 - (iii) To give or cause to be given in the manner provided in these rules, proper notice of all meetings of the Association, Committee of Management and sub-committees.
 - (iv) To perform such other duties as he/she may be directed to perform by resolution of the Association, Committee of



Management or sub-committees not inconsistent with the provisions of law or of these rules.

- (v) Before entering upon his duties he/she shall be required to give a proper bond of good and sufficient surety as required by the provisions of the Act for faithful performance of his/her duties.
- (vi) To deposit with the Association's banker all cash within three working days of its receipt.
- (vii) To be responsible for the keeping of bank accounts of the Association in accordance with the express directions from time to time of the Committee of Management.
- (viii) To provide and maintain full and complete records of transactions and of assets and liabilities of the Association.
- (ix) To establish and maintain a satisfactory system of control of the Association's accounting records, its cash holdings and of its receipts and payments.
- (x) Within 15 days after the close of each quarter to prepare and submit to the Committee of Management, a financial statement showing the condition of the Association as at the close of business on the last day of the quarter, or such other period as may be decided by the Committee of Management.
- (xi) To prepare a general statement of the funds and effects of the Association and the number and particulars of its members to be presented to the annual meeting and forward a copy of the same to the Registrar as required by Section 70 of the Act.
- (xii) In respect of each financial year to prepare Financial Statements dealing with the Association's affairs for the year and a statement of Financial Position.
- (xiii) To furnish for the inspection of or supply gratuitously to any member person or Credit Union interested in the Association's funds, copies of all financial records and shall keep copies of the same at the registered office of the Association.
- (xiv) The Secretary may not hold the office of Trustee.

10. Treasurer

- (a) There shall be a Treasurer of the Association who shall be elected by the Committee of Management.
- (b) The duties of the Treasurer shall be to render assistance to the Secretary.



- (c) The Committee of Management may resolve that the duties of the Treasurer may be fulfilled by the Secretary.

11. Trustees

- (a) There shall be three Trustees of the Association who shall be elected by the Committee of Management, one of whom shall retire by rotation each year, but be eligible for re-election.
- (b) The duties of the Trustees shall be:-
 - (i) To invest the funds of the Association in accordance with these rules and the provisions of the Act.
 - (ii) Subject to Section 109 of the Act, to borrow money on such terms and conditions as are approved by the Committee of Management.
- (c) Trustees shall hold such meetings as the business of the Association may require. The Trustees shall keep a record of all such meetings and shall make a report to the Committee of Management and a general report for the delegates at the Annual General Meeting.

12. Bank Accounts

The Committee of Management shall cause to be opened with one or more banks, such banking accounts in the name of the Association as are considered necessary for conducting the business of the Association. All cheques drawn on any account or accounts and all drafts bills of exchange, promissory notes and other negotiable instruments for and on behalf of the Association shall be signed in such manner as authorised in writing by the Committee of Management.

13. Auditor

The Association shall each year, at its Annual General Meeting appoint an auditor to audit its statement of financial position and its statements of financial performance for that year.

14. Finance

The financial year of the Association shall be from 1 April to 31 March in the following year, both dates inclusive.

The financial requirements of the Association shall be met by a levy to be fixed by the Committee of Management.



15. Deposits and Investments

Funds not used in loans to members may be invested or used by the Trustees with the consent of the Committee of Management.

Trustees may lend money to any member Credit Union and may receive from any member monies for investment upon such terms and conditions as the Association may determine.

16. General Reserve Fund

The Association may, out of its funds, from year to year, establish and maintain a general reserve fund which shall not be distributed until the Association is wound up or is dissolved but may be applied for the following purposes:

- (a) To off-set realised losses arising from loans made by the Association to its members.
- (b) To assist members in times of financial need.

The amount to be transferred to the general reserve fund from year to year shall be at the discretion of the Committee of Management.

17. Withdrawal and Expulsion of Members

A member may withdraw from membership of the Association at any time on payment of the fee and levies for the current year in which notice of withdrawal is given. Any amounts payable by the Association to such withdrawing member shall be paid as funds become available and only after deduction therefrom of any amounts due from such member to the Association.

A member may be expelled by a two-thirds vote of the delegates of the Association present at a Special Meeting called for the purpose but only after an opportunity has been given to the member to be heard and only if the member has had adequate notice of the meeting. All amounts payable by the Association to an expelled member shall be paid only as funds become available and only after deducting therefrom any amount due from such expelled member of the Association.

18. Alteration to Rules

No new rules shall be made or any of the rules herein contained altered or repealed unless notice of motion to make such new rules, alterations or repeals be communicated to each member in writing giving the date, place and time of the meeting called to consider such notice of motion. Such meeting may adopt such new rules, alterations or repeals only on the vote of not less than 75% of the delegates who are present and entitled to vote at the meeting.



19. Investigation

It shall be the right of one-fifth of the total number of members of the Association to apply to the Registrar for an investigation of the affairs of the Association with a view to the dissolution thereof or for the appointment of one or more inspectors to examine the affairs or for the calling of a special meeting of the Association in accordance with the provisions of the Act to that effect.

20. Winding Up

On the requisition of not less than 50% of the members a Special Meeting shall be called by the Chairman to take into consideration the advisability or otherwise of winding up the business of the Association. Should a resolution that the Association be wound up be carried by 75% of all members of the Association then the meeting shall stand adjourned for one month. Every member shall have posted to their last known address notices of such adjourned meeting and the business proposed. If at the resumption of the meeting the resolution be then confirmed, the consent to dissolution shall be testified by the signature of an instrument of dissolution in the form provided and subject to the Regulations made under the Act. Any funds held by the Association after winding up costs have been paid, shall be distributed to the members in a manner to be decided by the Committee of Management.

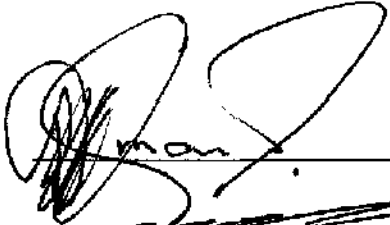
21. Disputes


Any dispute between –

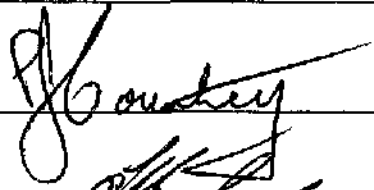
- (a) A member claiming under the Rules of the Association; or
- (b) Any other party claiming through a member or past member shall be decided by an Arbitration Committee, consisting of three disinterested persons, appointed by the Committee of Management and accepted by the party referred to in (a) or (b) The Arbitration Committee shall appoint its own chairman, who shall have a deliberative and casting vote. The Arbitration Committee may adopt such procedure as it deems fit and consistent with the requirements of the rules of natural justice. The decision made by the Arbitration Committee shall be binding and conclusive on all parties.

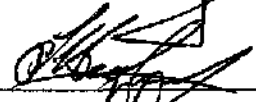


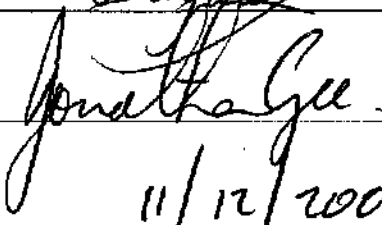
We declare that the amendments have been duly made in accordance with the rules of the Association, and to the best of our knowledge and belief, are not contrary to the Friendly Societies and Credit Unions Act 1982.

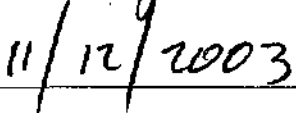

Trustee

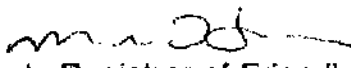

Trustee


Trustee


Chairman


Secretary


Date

Registered this 27th day
of JANUARY 20.04.

Deputy Registrar of Friendly
Societies and Credit Unions

