



Great
Southern
Bank

Annexure 2 of the Information and Nomination pack

Extract of CUA Constitution

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Section: Division 13

Title: Directors Appointment & Vacation of Office

Division 13. — Directors — Appointment & Vacation of Office

13.1 Number of Directors

13.1.1 The **credit union** must have a minimum of 6 **directors**, or such greater number as the **board** may determine from time to time.

Corporations Act Commentary

Section 201A(2) provides that credit unions must have at least 3 directors (not counting alternate directors) and that at least 2 must ordinarily reside in Australia.

13.2 Eligibility to be a Director

13.2.1 An individual is eligible to be a **director** if the person:

13.2.1.1 is a **member**;

13.2.1.2 has not had a personal representative or trustee appointed to administer the person's estate or property because of their mental incapacity; and

13.2.1.3 has not been disqualified by law from being or acting as a **director**.

13.2.2 A person is only eligible to be appointed **director** under Rule 13.3 if, in addition to satisfying Rule 13.2.1:

13.2.2.1 the person:

(a) has been a **member** continuously for at least 12 months at the date of nomination; or

(b) is a **director** seeking re-appointment; and

13.2.2.2 the **board** has determined that the person is of appropriate fitness and propriety to be and act as a **director**, by reference to the **board's** Fit and Proper Policy.

13.2.3 The **board** must keep confidential the details of any determination made under Subrule 13.2.2.2, except to the extent where disclosure is required by law, for example, to APRA.

Corporations Act Commentary

Section 201B(1) provides that only individuals (not bodies corporate) who are at least 18 may be directors.

Section 201B(2) provides that a person who has been disqualified from managing corporations under Part 2D.6 may only be appointed a director if the appointment is made with ASIC's permission under s 206F or the Court's leave under s 206G.

13.3 Appointment by Members — Election

13.3.1 The **members** and any **voting MCI holders** may appoint a person to be a **director** by an election held under the provisions of Appendix 3.

13.3.2 Subject to the **Corporations Act** the **credit union** may at any time by resolution passed in general meeting remove any **director** from office.

13.4 Appointment by Board

13.4.1 The board may appoint up to 2 **directors** (in addition to any **director** appointed under Subrule 13.4.1A or 13.4.2) who stay in office for a fixed term, as may be determined by the **board**, or otherwise until:

13.4.1.1 The office automatically becomes vacant; or

13.4.1.2 The **director** resigns; or

13.4.1.3 The **director** is removed by the **members** and any **voting MCI holders**;
or

13.4.1.4 The **director** is removed by the **board**.

13.4.1A The **board** may also appoint a person to be an executive **director** where that person is the Chief Executive Officer of the **credit union**. A person so appointed shall stay in office for a fixed term, as may be determined by the **board**, or otherwise until:

13.4.1A.1 The person ceases to be the Chief Executive Officer of the **credit union**;
or

13.4.1A.2 The office automatically becomes vacant; or

13.4.1A.3 The **director** resigns; or

13.4.1A.4 The **director** is removed by the **members** and any **voting MCI holders**;
or

13.4.1A.5 The **director** is removed by the **board**.

13.4.2 The **board** may also appoint a person to be a **director**:

13.4.2.1 if a **director's** office becomes vacant other than because the **director's** term of office has ended: or

13.4.2.2 if, for any other reason, the number of **directors** is less than six, or such greater number as the **board** has determined under Rule 13.1.

13.4.3 The **board** may only appoint a person under Rule 13.4 where that person is eligible to be a director under Subrule 13.2.1 and 13.2.2.2.

13.4.4 When the **board** appoints a person under Rule 13.4, it must indicate whether the appointment is effected pursuant to Subrule 13.4.1, 13.4.1A, 13.4.2.1 or 13.4.2.2.

13.4.5 The term of office for a **director** appointed to fill a vacancy in Subrule 13.4.2.1 ends at the end of the term of office of the **director** whose office has become vacant.

13.4.6 The term of office of a **director** appointed pursuant to paragraph 13.4.2.2 ends at the end of the next AGM.

13.5 Term of Office

13.5.1 Subject to the **Corporations Act** and unless by reason of Subrule 13.5.2 the term of office is shorter, a **director's** term of office:

- 13.5.1.1 starts at the end of the AGM at which the **director's** appointment is announced; and
- 13.5.1.2 ends at the end of the third AGM after the AGM at which the **director's** appointment is announced.

This paragraph does not apply to **directors** appointed pursuant to Rule 13.4.

13.5.2 If a ballot is held in accordance with Appendix A3-3 (2) and the number of **directors** appointed at an AGM is more than a third of the number of **directors** who are to hold office after the AGM:

- 13.5.2.1 the term of office for the third of the **board** that receives the most votes at an election held in accordance with Appendix A3-3 (2), ends at the end of the third AGM after the AGM at which the **directors'** election is announced; and
- 13.5.2.2 the term of office for the remainder ends at the end of AGMs occurring after the AGM at which the **directors'** election is announced, where less than a third of the **board** is due to retire at those AGMs.

Directors with less votes retire at earlier AGMs than those with more votes.

13.5.3 If **directors** are declared elected under Appendix A3-3 (1) (a) and the number of **directors** appointed at the AGM is more than a third of the number of **directors** who are to hold office after the AGM:

- 13.5.3.1 the term of office for one third of the **directors** so appointed to the **board** ends at the end of the third AGM after the AGM at which the **directors'** election is announced; and
- 13.5.3.2 the term of office for the remainder ends at the end of AGMs occurring after the AGM at which the **directors'** election is announced, where less than a third of the **board** is due to retire at those AGMs.

13.5.4 For purposes of Subrule 13.5.2 and 13.5.3:

- 13.5.4.1 if the number of **directors** on the **board** is not divisible by 3 — round fractions up to the nearest whole number in determining how many **directors** there are in a third or in two thirds of the **board**; and
- 13.5.4.2 if **directors** have been appointed under Appendix A3-3 (1) (a) or where 2 or more **directors** have received the same number of votes at an election — the order of retirement amongst them is determined by lot.

13.6 Automatic Vacation of Office

The office of a **director** automatically becomes vacant if the **director**:

- 13.6.1 dies;

13.6.2 ceases to be eligible to be a **director** under Rule 13.2.1;

13.6.3 is absent from 3 consecutive ordinary meetings of the **board** without leave; or

13.6.4 is 3 months in arrears in relation to money due to the **credit union** and has failed to make arrangements for payment satisfactory to the **credit union**.

Neither the **board** nor the **general meeting** may waive the operation of this Rule.

Corporations Act Commentary

Section 203D provides that the general meeting of a credit union may remove a director by ordinary resolution.

13.7 Resignation

13.7.1 A **director** may resign by giving the **credit union** notice of the **director's** resignation.

13.7.2 The **director's** office becomes vacant:

13.7.2.1 if the notice of resignation specifies a date of resignation — on the date of resignation; or

13.7.2.2 otherwise — on the date the **credit union** receives the notice of resignation.