
NEW ZEALAND FIREFIGHTERS
CREDIT UNION

RULES

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RULES
Of
NEW ZEALAND FIREFIGHTERS CREDIT UNION

1. The name of the Credit Union shall be: New Zealand Firefighters Credit Union.

INTERPRETATION

2. In these Rules, unless the context otherwise requires –

‘Act’ means the Friendly Societies and Credit Unions Act 1982 and any amendments thereof;

‘Association’ means the New Zealand Association of Credit Unions;

‘Board’ or ‘Committee of Management’ means the board of Directors, which constitutes the Committee of Management as defined in the Act;

‘Director’ means any member of the Committee of Management as defined in the Act and appointed in accordance with these Rules;

‘Effect Insurance’ includes pay, whether directly or indirectly, the costs of the insurance;

‘Exemption Notice’ means any exemption notice for or applicable to credit unions issued by the Financial Markets Authority pursuant to the Financial Markets Conduct Legislation;

‘FMA’ means the Financial Markets Authority;

‘FMC Legislation’ means the Financial Markets Conduct Act 2013 and the Financial Markets Conduct Regulations 2014, except that until the Credit Union’s effective date of transition to the Financial Markets Conduct Act, shall mean the Securities Act 1978 and the Securities Regulations 2009;

‘Indemnify’ includes relieve or excuse from liability, whether before or after the liability arises; and **‘Indemnity’** has a corresponding meaning;

‘Legislation’ refers to all relevant and prevailing legislation affecting the operations of the New Zealand Firefighters Credit Union;

‘Member’ means any person who is a member, or who is admitted to membership, of the Credit Union pursuant to these Rules and includes a **‘non-qualifying member’** as defined in Rule 8;

‘NBDT Act’ means the Non-Bank Deposit Takers Act 2013;

'Supervisor' means a trustee corporation appointed by the Trustees which has entered into a trust deed with the Credit Union;

'Officer' means an officer as defined by the Act and includes a former officer;

'Receiver' means a receiver, or a manager, or a receiver and manager appointed under the Trust Deed in respect of any property of the Credit Union;

'Registrar' means the Registrar of Friendly Societies and Credit Unions;

'Share' means, in relation to the Credit Union, a share in the capital of the Credit Union;

'Trust Deed' means a trust deed entered into between the Credit Union and the Supervisor for the monitoring of the affairs of the Credit Union pursuant to the Financial Markets Conduct Act 2013;

'Trustees' means the trustees of the Credit Union appointed in accordance with sections 28 and 104 of the Act.

Miscellaneous: in these Rules:

Reference to any legislation, including any exemption notice gazetted under the Securities Act (or any legislation replacing the Securities Act), or to any provision of any legislation are deemed to be references to that legislation or provision as from time to time amended, re-enacted, replaced or substituted (including any exemption notice passed or gazetted in substitution for or that refers to or incorporates any of its provisions) and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.

References to any document (however described) shall include references to such document as modified, novated, supplemented, varied or replaced from time to time.

OBJECTS

3. The objects of the Credit Union shall be:
 - a) The promotion of thrift among its members by the accumulation of their savings; and
 - b) The use and control of the members' savings for their mutual benefit and to make loans to members for provident or productive purposes; and
 - c) The training and education of the members in the wise use of money and in the management of their financial affairs; and
 - d) At the discretion of the Credit Union and as a minor adjunct to its other objects, the welfare of its members and the making of donations for charitable, cultural, benevolent, or philanthropic purposes.

REGISTERED OFFICE

4. The registered office of the Credit Union shall be at 5 Britannia Street, Petone, Wellington or at such other place as the Board may from time to time decide. Notice of any change in the registered office shall be sent to the Registrar within 14 days.

MEMBERSHIP

5. Admission to membership of the Credit Union shall be limited to:
 - a) Any person who is a member of or employee of Fire and Emergency New Zealand ("FENZ") or any FENZ organisation within the meaning of the Fire and Emergency New Zealand Act 2017 or any replacement Act thereof, or an employee of any emergency services organisation or emergency services management organisation, or any employee of the New Zealand Firefighters Credit Union
 - b) Members and associate members, including any such person aged 16 years or younger, as follows:
 - (i) Any person may be eligible to be admitted into the common bond as an associate member of the Credit Union who is classified as a relative of any member of the Credit Union.
 - (ii) An associate member must be nominated by the connecting member.
 - (iii) Associate members have full rights of the Credit Union with the exception that they cannot nominate any other individual to the Credit Union; i.e. no associate member may join a relative.
 - c) Where a couple or group apply to join the Credit Union the first person named shall be the member.
 - d) Children upon reaching the age of 16 and requiring any account other than a normal share account must become an individual member.
 - e) A member as in Rule 5(a) on leaving the common bond may retain membership.
 - f) A charitable entity as defined by the Charities Act 2005.
 - g) An incorporated society registered under the Incorporated Societies Act 1908.
 - h) In paragraph 5(b)(i) of this Rule, the term 'relative', in relation to any person means:
 - (i) The spouse of that person including any former spouse or de-facto spouse;
 - (ii) Any lineal ancestor, lineal descendant, brother, sister, uncle, aunt, nephew, niece, or first cousin of that person or that person's spouse;
 - (iii) The spouse (including any former spouse or de facto spouse) or any relative specified in subparagraph (ii) hereof.
6. An applicant shall be admitted to membership provided:
 - a) The applicant has completed an application in writing on a form prescribed by the Board; and
 - b) The applicant qualifies for admission to membership under Rule 5; and
 - c) The applicant has paid any entrance fee payable in accordance with these Rules; and
 - d) The application has been approved by the CEO.
7. A person, charitable entity, or incorporated society that fails to hold at least one fully paid-up share in the Credit Union, or such higher number as may be determined by the Board from

time to time but not exceeding \$10 in fully paid-up shares, shall not be permitted to become or remain a member of the Credit Union.

8. (a) A member who ceases to fulfil the qualifications for membership under Rule 5 shall be entitled, subject to Rule 9, to retain that membership and in these rules shall be referred to as a 'non-qualifying member' provided that a member shall not cease to fulfil the qualification for membership by reason merely of retirement from following a particular occupation or employment for a particular employer.
 - (b) The savings account of any member who ceases to operate at least one savings account and/or loan account during any period of 24 consecutive months shall be deemed to be dormant accounts.
 - (c) An annual account fee for dormant accounts may be prescribed in accordance with these Rules.
9. The number of non-qualifying members shall not at any time exceed 10 percent of the total membership of the Credit Union. In such event the Board shall have power to terminate the membership of as many non-qualifying members as are necessary to reduce the number to 10 percent of the total membership. The Board in exercising its power under this Rule shall terminate the membership of those persons which it considers to have had the least involvement in the Credit Union. In the event that the Board is unable to make a distinction on such ground the persons whose memberships are to be terminated shall be selected by means of a ballot conducted from a group of non-qualifying members selected by the Board as having had the least involvement in the Credit Union.
10. A member, or the member's personal representative, may withdraw from the Credit Union at any time. In such event, all amounts paid in on shares by that member shall be paid to the member as funds become available and only after deducting here from any amounts due from the member to the Credit Union.
11. A member may be expelled from membership of the Credit Union by a two-thirds majority vote of the members present at a special meeting duly called for the purpose. In the event of such expulsions the member shall have the same rights and be subject to the same obligations as a member withdrawing from the Credit Union under Rule 10.

CAPITAL AND LIABILITY

12. The Credit Union shall issue shares in its capital subject to the following:
 - a) Each share shall be of a fixed amount of \$1 denomination which may be paid for in whole or part. A part payment shall be deemed to be subscription in advance and no share shall be allotted to a member until it has been fully paid.
 - b) The maximum amount of shares which may be held by any one member shall be fixed by the Board but in any event shall not exceed the sum of \$500,000 (or any such sum as may from time to time be authorised by the Act).
 - c) Money paid in shares may be withdrawn at any time by any means including without limitation, automatic payment, direct debit or cheque or other bill of exchange (whether payable to the member or any other person at the member's discretion)

but the Board shall have the right at any time to require members to give 60 days notice of their intention to withdraw the whole or any part of the money so paid.

- d) If a withdrawal of shares would reduce a member's paid-up shareholding in the Credit Union to less than the member's total liability (including contingent liability) to the Credit Union whether as a borrower, guarantor or otherwise, then:
 - (i) In the case of a non-qualifying member, the withdrawal shall not be permitted; and
 - (ii) In any other case the withdrawal shall be permitted only at the discretion of the CEO and the Trustees.
 - e) Shares in the Credit Union shall not be transferable and the Credit Union shall not issue a certificate to a member denoting ownership of a share.
 - f) A share may be held by two or more members jointly. For the purposes of the Act the person first named on the Credit Union's register shall be deemed to be the member to whom the share was allotted.
13. Notwithstanding that shares are not transferable a member may nominate a person or persons to receive any shares that the member may have in the Credit Union at his or her death or any sum of money payable by the Credit Union at that time. Such nominations shall be in writing on a form prescribed by the Board and delivered or sent to the registered office.
14. Subject to Rule 13, in the case of the death of a member, the survivor or survivors where the deceased was a joint holder of shares, and the legal personal representative of the deceased where the deceased was a sole holder of shares, shall be the only persons recognised by the Credit Union as having any title to the deceased's interests in the shares. In the case of the death of a joint holder of shares his or her estate shall remain liable in respect of any share which had been jointly held by that member with other persons.
15. Where a member dies or becomes bankrupt, the member's personal representative or the assignee of the member's estate, as the case may be, shall be entitled, upon the production of such evidence as may from time to time be properly required by the Board, to be paid all amounts paid in on shares as funds become available and after deducting therefrom any amounts due from the member to the Credit Union.

FEES, LEVIES, AND CHARGES

16. Members shall pay for services provided by the Credit Union as follows:
- a) Fees, levies and charges as determined by the Board, provided that such fees, levies and charges and any changes thereto shall not come into force until notice thereof has been sent to all members.
 - b) Where the Credit Union incurs a charge from another organisation when acting on a member's behalf, or incurs legal fees, or fees associated with the registration of securities or in respect of credit references obtained with the consent of the member, the Credit Union may pass those costs onto the member.

FINES AND FORFEITURES

17. No fines or forfeitures shall be imposed on any member.

FINANCIAL YEAR

18. The financial year of the Credit Union shall be from the 1st day of July to the 30th day of June each year, both dates inclusive.

MEETING OF MEMBERS

19. Meetings of the members shall be called as follows:
- a) The annual meeting shall be held in each year at such time and place as the Board may prescribe.
 - b) Special meetings of members may be called by the Board or the Trustees and shall be called by the chair of the Board on receipt of a written application of members as follows:
 - (i) Where the membership of the Credit Union does not exceed 1000 members an application made by one-tenth of the whole number of members.
 - (ii) Where the membership of the Credit Union exceeds 1000 members, an application made by 100 members.
 - c) At least 15 working days before any meeting of the members the Secretary shall cause notice thereof, and all documents pertaining to the business of the meeting, to be given to:
 - (i) Each member;
 - (ii) The Supervisor; and
 - (iii) Each Director and auditor.
 - d) If a special resolution is to be submitted at the meeting, a draft proposed notice of the meeting must be given to the Supervisor at least 10 working days before the notice is to be provided to members.
20. The business at annual meetings shall be set by the Board and may include:
- a) Report of Directors;
 - b) Presentation of the Audited Financial Statements;
 - c) Report of Treasurer;
 - d) Report of the Trustees;
 - e) Report of the Audit and Risk Committee;
 - f) Appointment of Auditor;
 - g) Remuneration of Directors; and
 - h) Elections of Officers.

21. The agenda for a special meeting will deal solely with the written issue raised by the petitioners.
22. A charitable entity or incorporated society that is a member of the Credit Union under these rules shall be entitled to appoint by notice in writing, signed by the chair and secretary of the entity or society, its representative at a meeting of members. Such representative if so appointed shall be entitled to vote on behalf of that entity or society, provided that the notice shall not be effective unless it specifies whether the appointment is for a particular meeting or a specified term and a copy of the notice is delivered to the Credit Union not less than 24 hours before the stated commencement time of the meeting.
23. At annual and special meetings 15 members present in person shall constitute a quorum. If no quorum is present at a meeting called by members per Rule 19(b) the meeting is dissolved. At any other meeting, if no quorum is present, an adjournment may be taken to a date not less than 7, or more than 17 days, thereafter. The members present at any date to which the meeting is so adjourned shall constitute a quorum regardless of the number present. At least five days before the meeting so adjourned the Secretary shall cause notice thereof to be given to each member.

ELECTIONS

24. The procedure for the nomination and election to office of the Directors and Trustees shall be as follows:
 - a) Prior to each annual meeting the Chair shall appoint a nominating committee of 3 members. It shall be the duty of the nominating committee to nominate at least 1 member for each vacancy for which elections are being held and to forward such nominations to the Secretary at least 30 days prior to the relevant annual meeting. Nominations should be of members who have completed the "Fit and Proper Person Declaration", the "Suitability Notice for Director" as prescribed by the NBDT Act, the "Personal Information Statement", and who meet the requirements of the Credit Union's 'Fit and Proper Person' policy to the satisfaction of the director of the nominating committee, and are subject at all times to any requirements prescribed by the Reserve Bank of New Zealand for credit union directors.
 - b) No charitable entity or incorporated society that is a member under these Rules may be nominated for or elected to, any office in the Credit Union provided this shall not prevent a person appointed to represent under Rule 22 from being nominated and elected to office if a member of the Credit Union in their own right.
 - c) At least 21 days before the annual meeting the Secretary shall cause notice to be given to each member of the following:
 - (i) The date of the annual meeting;
 - (ii) Details of the vacancies for which elections are being held;
 - (iii) The names of the persons nominated by the nominating committee for each vacancy;
 - (iv) That nominations from members, together with the candidate's curriculum vitae detailing relevant skills and experience, a completed 'Fit and Proper Persons Declaration', 'Personal Information Statement' and 'Suitability Notice for Director' be delivered in writing to the Secretary no later than 12 days prior to the annual meeting;

- (v) The postal votes for Director may be cast as per Rule 25(c) and (d).
- d) When nominations have closed the Secretary shall if required cause ballot papers to be prepared for distribution to members at the annual meeting.
- e) All elections shall be conducted by a majority vote and shall be by ballot except where there is only one nominee for the office.
- f) Elections shall be conducted by one ballot for all offices or by separate ballots in which event the elections shall be conducted in the following order:
 - (i) Election of Directors; and
 - (ii) Election of Trustees.
- g) Following the appointment of scrutineers by the chair the ballot papers shall be distributed, the votes shall be taken and tallied and the results announced.

RIGHT OF VOTING

25. On every matter which is determined by a vote of members the following rules shall apply:
- a) Every member shall be entitled to vote and shall have one vote only and must have attained the age of 16 years by the closing date for voting.
 - b) Members may be allowed to vote by proxy or electronically.
 - c) If permitted by the Board, a member may cast a postal vote by means of a ballot paper prepared for this purpose and obtainable on request from the Secretary.
 - d) A postal vote shall be valid if it is received by the Credit Union no later than 4:00pm on the day prior to the meeting. The postal vote shall be handed to the scrutineers appointed to act at the meeting who shall ensure the inclusion of the postal vote in the voting tally.
 - e) The Board may permit, in relation to a particular meeting or generally:
 - (i) The postal votes to be cast by electronic means; and
 - (ii) To the extent permitted by law, votes to be cast on resolutions at meetings of members by electronic means.

The procedures in relation to such electronic voting shall be those required by law (if any) together with any other procedures determined by the Board. If the Board permits electronic voting in accordance with this clause, such electronic votes may be cast notwithstanding any other provision of these Rules.

BOARD OF DIRECTORS

26. The Board of Directors shall be constituted as follows:
- a) The Board shall comprise not less than 6 nor more than 10 Directors, which number may include up to 2 independent directors who do not have a contractual relationship by way of shares or are members of the Credit Union.
 - b) At the first annual meeting of the Credit Union at least 50 percent of the Directors shall be elected for a term of 1 year and the other Directors for a term of 2 years. Thereafter the term of each Director shall be 2 years or until the election and qualification of a successor but at all times this ratio is to be maintained.

- c) After a director is elected they will only be appointed to the Board once a clean Suitability Notice has been submitted or, if there are suitability concerns, a notice of non-objection has been issued by the Reserve Bank.
- d) All Directors must at all times meet the Credit Union's 'Fit and Proper Person' policy and 'Suitability Notice for Directors'.
- e) In the event of a vacancy on a Board caused by the death or disqualification of a Director so elected, the Board shall appoint a member to fill the vacant office and that member shall hold such office until the next annual meeting or until the election and qualification of a successor.

Notwithstanding the foregoing, the Supervisor may appoint and remove Directors in the circumstances prescribed, and to the extent authorised, by the Trust Deed.

- 27.(a) The Board shall meet on at least 6 occasions each year at a time and place (and/or manner) to be determined by the Board. The Chair or in his or her absence the Vice-chair, or in their absence, the Secretary, may call a special meeting of the Board at any time and shall do so upon the written request of any 3 Directors. The Chair, Vice-chair or Secretary, as in the case may be, shall fix the time and place of any special meeting unless the Board by resolution prescribes otherwise. Notice to the Directors of all meetings of the Board shall be given in such manner as the Board may from time to time by resolutions prescribe.
- (b) The manner of a meeting of the Board shall include a meeting held by means of audio or audio-visual communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.
28. Fifty percent in number of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board but fewer than a quorum may adjourn from time to time until a quorum is in attendance. Proxy voting is not permitted. Written notice of an adjourned meeting need not be given to the Directors. If a Director fails to attend 3 consecutive meetings of the Board, with or without a formal apology tendered, or otherwise fails to perform any of the duties of the office, the office may be declared vacant by the Board which shall then be filled in accordance with Rule 26(e).
29. The Board may establish committees as it sees fit to carry out such delegated functions as the Board may direct.
30. The Board may appoint such associate directors and committees as it deems necessary and those such appointed shall be entitled to have notice of all meetings of the Board and shall have speaking rights at those meetings provided however that those such appointed shall not have voting rights or be counted in the quorum of a meeting of the Board.

DUTIES OF THE BOARD OF DIRECTORS

31. The Board shall determine, promulgate and implement the policies of the Credit Union and shall be responsible for the general management of the affairs and records of the Credit Union. In addition to the duties customarily performed by a board of directors, the Board shall:

- a) Prescribe the forms to be completed by applicants for membership, to act upon applications for membership and to establish such procedures as will ensure that membership applications are processed with a minimum of delay.
- b) Maintain policies of insurance which may include life savings insurance and loan protection insurance. The Board shall ensure that each member receives a certificate of insurance which sets out the terms and conditions of such insurance and that the master policy be available for inspection at reasonable hours.
- c) Determine the lending policy of the Credit Union to its members and ensure that the details of the lending policies, from time to time in force, are readily available to members.
- d) Determine from time to time the rate or rates of interest consistent with the provisions, if any, prescribed by law which should be charged on loans.
- e) Establish by-laws under which Christmas Clubs and other types of savings accounts may be established for members provided that subscription shall be by shares which shall rank equally with all and any other shares issued by the Credit Union.
- f) Declare dividends from earning in accordance with Rule 67.
- g) Authorise the appointment of such person or persons as may be necessary to carry on the business of the Credit union and fix the remuneration of such persons, including the Treasurer.
- h) Arrange for the Trustees to borrow money, and grant security over the assets of the Credit Union for such borrowings, in each case in accordance with these Rules and the Trust Deed.
- i) Ensure that the treasurer and every other officer having the receipt or charge of money shall, before taking up office, give security in accordance with Section 114 of the Act.
- j) Determine the investment policy for the Credit Union and ensure investments made by Trustees are in compliance with these Rules, Trust Deed, Sections 49, 113 and 117 of the Act, and Legislation.
- k) Cause proper accounting records to be kept relating to the transactions of the Credit Union and its assets and liabilities in accordance with Sections 60 and 121 of the Act.
- l) Establish and maintain a satisfactory system of control of the accounting records of the Credit Union, its cash holdings and all its receipts and payments in accordance with Section 121 of the Act.
- m) Institute and maintain procedures for the prevention and deduction of fraud or other dishonesty by any of the officers or employees of the Credit Union and to take out and maintain a policy or policies of insurance providing cover against any such fraud or other dishonesty in accordance with Section 133 of the Act.
- n) Maintain an appropriate insurance cover over the fixed assets of the Credit Union and for all other risks as circumstances may warrant.
- o) Maintain a Conflicts Register at the registered office of the Credit Union in accordance with Rule 59.
- p) Establish an Education and Promotion Committee to further development of the Credit Union and an understanding of its principles and philosophies and whose functions shall include the promotion of the Credit Union and the fostering of education and training of its members and officers.
- q) Give meaningful effect to the objects of the Credit Union set out in Rule 3 hereof.

- r) The Board may enter into agreements, whether with the Association or any other person, for the provision of banking and other transactional or administrative services that allow the Credit Union to offer services to members.
- s) Perform or authorise any action consistent with the provisions of the law and these Rules not specifically reserved by the Rules or the Act for the members.
- t) Ensure that the Credit Union complies with its obligations under its Trust Deed, the Act, and Legislation.
- u) Ensure that the officers and any managers employed in the capacity of Chief Executive Officer, CEO or Senior Manager become members of the Credit Union Institute of New Zealand Incorporated and retain membership of that institute and abide by its code of ethics whilst holding office.
- v) Appoint an Audit and Risk Committee in accordance with Rule 45 hereof.
- w) Perform such other duties as the members may, from time to time, require.

REMUNERATION OF DIRECTORS

- 32. Legitimate expenses of elected officers may be reimbursed including any loss of salary or wage from the officer's regular employment if this has directly resulted from having to attend to the business of the Credit Union and payment for such attendance has been approved by the Board.
- 33. Fees, honoraria and meeting payments (other than the remuneration of the Treasurer) may be paid to the Directors (including any associate director or any appointed Officer) in such amounts and manner as the Board in its absolute discretion may decide provided however that the total fees, honoraria, and meeting payments so paid shall not exceed that sum which has been approved at an immediately preceding annual meeting (or adjourned annual meeting) of the members of the Credit Union.

OFFICERS

- 34. The officers of the Credit Union shall be elected and hold office as follows:
 - a) Within seven days following each annual meeting, the Directors shall elect from their own number a Chair, Vice-chair, Treasurer and Secretary provided that no person who is 19 years of age or younger shall hold the office of Treasurer.
 - b) The offices of Secretary and Treasurer may be combined subject to the consent in writing of the Registrar.
 - c) Unless sooner removed, as herein provided, the officers so elected shall hold office for a term of 1 year or until the election and qualification of their respective successors.
 - d) In the event of a vacancy in the office of Chair, Vice-chair, Treasurer and/or Secretary, caused by the death or disqualification of an officer so elected, the Directors shall elect from their own number a person to fill the vacant office and that person shall hold such office until the next annual meeting or until the election and qualification of a successor.

35. The Credit Union is authorised by resolution of the Board to effect insurance or to indemnify an officer in respect of:
- a) Liability, not being criminal liability or liability in respect of a breach of any fiduciary duty owed to the Credit Union, for any act or omission in his or her capacity as an officer; or
 - b) Costs incurred by that officer in defending or settling any claim or proceeding relating to such liability; or
 - c) Costs incurred by that officer in defending any criminal proceedings in which he or she is acquitted.
36. The Board may, subject to any restrictions in these Rules, the Trust Deed, the Act, or Legislation, enter into agreements (whether with the Association or any other person) for the provision of direct credit, direct debit and cheque account facilities to members.

CHAIR AND VICE CHAIR

37. The functions of the Chair shall be as follows:
- a) The Chair shall preside at all meetings of the members and at all meeting of the Board. In addition, the Chair shall perform such other duties as are customarily performed by a Chair or as he or she may be directed to perform by resolution of the Board not inconsistent with the law or these Rules.
 - b) The Vice-chair shall have and exercise all the powers, authority and duties of the Chair during the absence of the Chair or during any period when the Chair is unable to act.
 - c) In the absence of the Chair and the Vice-chair at any meeting of the members, or meeting of the Board, the Directors may elect one of their members to act as Chair of that meeting.
 - d) The Chair, Vice-chair or Acting-chair in addition to their own personal vote shall have a casting vote which may be exercised in the event of equality of voting on any matter before a meeting of members or of the Board provided always that such casting vote shall be exercised in favour of the existing condition.

DUTIES OF THE TREASURER

38. The Treasurer shall:
- a) Make or cause all payments received by the Credit Union and all cash held that is surplus to its cash operating requirements as may be determined by the Board to be deposited within 3 working days in such bank accounts as are authorised by the Board.
 - b) Make or cause to be prepared each month, a financial statement showing the cash deposited funds of the Credit Union, operational gains and losses, assets and

liabilities, and the key prudential ratios of the Credit Union as at the close of business on the last day of the month, such statement to be presented by the Treasurer at the next available Board meeting.

- c) Cause to be prepared in respect of each financial year, the annual financial statements in accordance with the Financial Reporting Act 2013 and part 7 of the FMC Legislation, and the documents required to be prepared or filed under the Financial Markets Conduct Act 2013.
- d) Cause to be sent to the Registrar of Financial Service Providers no later than 3 months after the close of the Credit Union's reporting period, the prospectus document required to be filed under the Financial Markets Conduct Act 2013.
- e) Within 3 months of the close of each financial year send to the Registrar an annual return for that financial year in accordance with Section 127 of the Act.
- f) Make available on the application of a member or person interested in the funds of the Credit Union, without charge, a copy of the last annual return together with a copy of the report of the auditors in accordance with Section 129 of the Act.
- g) Keep available for inspection at the registered office:
 - (i) An indexed register of members which shall be open to inspection by any member, in accordance with Section 130 of the Act;
 - (ii) The books and accounts of the Credit Union which shall be open to the inspection by any member or other person having an interest in the funds of the Credit Union provided that no person (unless he or she is an official of the Credit Union acting in the course of his or her duties) shall inspect any accounts of another member without the written authority of that member, in accordance with Section 131 of the Act.
 - (iii) A copy of the last annual financial statement of the Credit Union together with report of the auditor which shall be open to inspection by any member, or other person having an interest in the funds of the Credit Union, in accordance with Section 132 of the Act.
- h) Perform such other duties as he or she may be directed to perform by resolution of the Board not inconsistent with the law or these Rules.

39. The Board may appoint one or more persons to act as assistant Treasurer and authorise such persons or persons under the direction of the Treasurer to perform any of the duties devolving on the Treasurer. An assistant Treasurer may also act as Treasurer during the absence of the Treasurer or in the event that the Treasurer is unable to act.

DUTIES OF THE SECRETARY

40. The Secretary shall:

- a) Prepare and maintain full and correct records of all meetings of the members and the Board. In the absence of the Secretary a minute secretary shall be appointed by the Chair of that meeting.
- b) Give, or shall cause to be given, in the manner provided in these Rules, proper notice of all meetings of the members;
- c) Supply to any member upon demand a copy of the current registered Rules of the Credit Union; and

- d) Perform such other duties as the Secretary may be directed to perform by resolution of the Board not inconsistent with the law or these Rules.
- e) The duties of the Secretary may be delegated to other officers from time to time, as determined by the Board.

TRUSTEES

41. The Trustees of the Credit union shall be elected and hold office as follows:
- a) There shall be 3 Trustees who shall have attained the age of 20 years and who shall be elected by the members of the Board. A staff member who is elected as a Board member shall not be eligible to be a Trustee.
 - b) The term of each Trustee shall be 2 years provided that no person shall be elected for a term of office as Trustee which exceeds the term then remaining of that person as a Director of the Board.
 - c) The same person shall not hold the office of Secretary or Treasurer of the Credit Union while holding at the same time a position as Trustee.
 - d) The Trustees shall choose from among their number a Chair and Secretary which offices may be held by the same person. The Secretary shall be responsible for the maintenance and safe custody of full and correct records of every action taken by the Trustees.
 - e) Within 14 days after the election of a Trustee the Secretary shall send to the Registrar a copy of the resolution signed by the Trustee so elected and by the Secretary.
 - f) As soon as practicable after the death or disqualification of a Trustee, a new Trustee shall be elected by the members of the Board.
42. The Trustees shall meet on at least one occasion each month at a time and place to be determined by the Trustees. Notice of such meetings shall be given to the Trustees in such manner as they may from time to time by resolution prescribe. The Trustees shall keep a record of all such meetings.
43. The Trustees shall:
- a) Act as the credit committee for the Credit Union and fulfil all statutory duties required of the Trustees. In the event of a vacancy on the credit committee caused by the death or disqualification of a Trustee, the Board may elect from their own number a person to fill the vacant office and that person shall hold such office until the election and qualification of a successor.
 - b) Supervise all loans made by the Credit Union to members and review any loan application they deem fit to determine whether the security offered by the member is sufficient and the terms upon which such loan shall be made.
 - c) Control all bank accounts under such terms as may be determined by resolution of the Trustees.
 - d) Hold all property belonging to the Credit Union which shall be vested in the Trustees for the use and benefit of members and all persons claiming through any of them according to these Rules.

- e) Pay any moneys received by the Trustees on account of any investment of the Credit Union within 3 working days to the Treasurer with full particulars so as to enable the accounts to be correctly kept.
- f) Subject to the provisions of the Rules and the Trust Deed, borrow money, and grant security over the assets of the Credit Union for such borrowing, in each case on such terms and conditions as are approved by the Board from time to time.
- g) Ensure compliance with these Rules and Trust Deed in relation to the making of loans to members.
- h) Invest the funds of the Credit Union in accordance with these Rules and the Trust Deed, including any investment policy determined from time to time by the Board of Directors.
- i) Make a monthly report on loan matters to the Board and a general report to the members at the annual meeting.

DEALING WITH LAND AND BUILDINGS

44. The Credit Union, in the name of the Trustees, is authorised to purchase, hold, take on lease, or otherwise provide:
- a) any land, and may sell, exchange, mortgage, or lease any such land, and erect, equip, furnish, alter and maintain, or pull down buildings on it; and
 - b) any building or part of a building, and equip, furnish, alter, and maintain, or pull down any such building.

The Credit Union shall have the power to hold any interest in land so far as is necessary for the purpose of making loans to the members on the security of an interest in land and or enforcing any security.

AUDIT AND RISK COMMITTEE

45. There shall be an Audit and Risk Committee which shall be appointed by the Board as a committee of the Board and shall consist of 2 or more members (at least one of whom shall be a member of the Board) as the Board in its absolute discretion may decide.
46. The Audit and Risk Committee shall:
- a) Ascertain that all actions by the Trustees and the Board are in conformity with:
 - (i) these Rules;
 - (ii) the Act
 - (iii) the FMC Legislation;
 - (iv) the NBDT Act; and
 - (v) the International Credit Union Operating Principles.
 - b) Make or cause to be made a routine operating inspection of the affairs of the Credit Union at least once every three months, which shall include an examination of its books including the system of control maintained under Section 121 of the Act, and an inspection of securities, cash, accounts and loans.

- c) Inspect the Conflicts Register and ensure that it is properly updated and maintained by the directors in accordance with Rule 61(d).
 - d) Report to the Board with its recommendations on the appointment (or non-appointment) of an Internal Auditor, and the duties, job description, and requirements incidental to such position.
 - e) Cause to be expeditiously made, annual and/or six-monthly audits of the Credit Union's financial statements and written reports in accordance with Sections 122 and 125 of the Act and with the Financial Markets Conduct Act 2013.
47. The Audit and Risk Committee shall make recommendation on the appointment of the External Auditor and regularly liaise with and consider the advice and recommendations of the External Auditor with regard to the matters set out in Rule 46.
48. In the event that an Audit and Risk Committee is unable to be appointed or becomes ineffective, it shall be the responsibility of the Board of Directors to appoint forthwith until an Audit and Risk Committee can be appointed, a suitable person to be Internal Auditor of the Credit Union and who shall be engaged to carry out the work detailed in Rule 46 (a) to (c) and report directly to the Chair of the Board.

APPOINTMENT OF EXTERNAL AUDITOR

49. 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) Section 65 and 123 to 124 of the Act and in accordance with the FMC Legislation, and the Trust Deed.

SUPERVISION

50. In order to comply with the FMC Legislation and any Exemption Notice issued thereunder, the Trustees may on the recommendation of the Board enter into a Trust Deed with a Supervisor in a form approved by the Board pursuant to which:
- a) The Supervisor covenants to monitor the affairs of the Credit Union for the benefit of the members;
 - b) The Supervisor may in certain circumstances give directions in respect of the administration of the affairs of the Credit Union which are binding on the Trustees and the Board and on the Credit Union; and
 - c) 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.
51. Upon entry into any such Trust Deed, the Supervisor shall be deemed to be a person claiming through the Members pursuant to Section 112(1) of the Act and the Trustees and Board will act accordingly.

52. Any directions given by the Supervisor to the Trustees and/or the Board under the powers conferred on the Supervisor in the Trust Deed shall be given effect to by the Trustees and each Director and be binding on all Members.
53. The Credit Union and the Trustees are authorised to appoint from time to time by deed in a form to be approved by the Board, the Supervisor and any receiver appointed by the Supervisor and each of the Supervisor's officers for the time being severally to be the Credit Union's attorney or attorneys for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as the Board may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to delegate all or any of the power, authorities and discretions vested in him or her.
54. The Supervisor, through any of its agents, attorneys or representatives, may attend any meeting of the Credit Union and shall have the standing and right to speak and be heard at any such meeting, whether in relation to any matter arising during the course of the business of that meeting or any other matter which the Supervisor wishes to raise at the meeting.
55. The Credit Union will call a special meeting of members at the request of the Supervisor in accordance with the Trust Deed. Such meeting will be called and held in accordance with the Trust Deed.
56. The share capital of the Credit Union shall be issued on the condition that its value may be written down and that any shares may be consolidated with other shares held by the members in reduction of any accumulated losses of the Credit union in the same proportion as all other shares issued in the capital of the Credit Union are written down and consolidated provided always that any such write down by capital and consolidation of shares is recommended by the Board and approved by a special resolution of members.
57. The Credit Union shall to the extent necessary to comply with the FMC Legislation and any Exemption Notice issued thereunder or any provision of the Trust Deed, amend these Rules provided that no amendment of these Rules shall be valid until registered pursuant to Section 23 of the Act.
58. A Director or Trustee shall vacate his or her office by resignation immediately if he or she receives a notice of removal or disqualification from the Supervisor pursuant to the Trust Deed.

CONFLICT OF INTEREST

59. For the purposes of Rules 59, 60, 61 only, and no other Rules:

'Officer' includes a Director or member of the Board (including any other person who by precedent or agreement is an ex officio member), a member of a committee of the Board, or a Trustee.

'Conflicts Register' means the document held at our Office relating to Conflicts of Interest.

'Conflict of Interest' is a situation where there exists a relationship between an Officer and those listed below where such relationship is likely to affect the interests of the Credit Union or the Officer's independence and impartiality:

- (i) A member;
- (ii) A staff member;
- (iii) A spouse, defector partner, child or member of immediate household;
- (iv) A parent, uncle aunt brother, sister, or immediate relationship through marriage;
- (v) A cousin in the first degree of blood relationship;
- (vi) A business partner or former business partner;
- (vii) A relative or close personal friend or associated person in circumstances which is deemed by the other members of the Board or committee or sub-committee to constitute a conflict of interest.

60. In all cases where a conflict of interest or possible conflict of interest arises concerning any matter or transaction, there should be a disclosure by the Officer concerned to the Board or committee of which the Officer is a member or ex-officio member.

61. In circumstances where a conflict of interest exists and whether or not it has been disclosed;

- a) The officer should not participate in any discussion or decision making except by consent of the Board or committee.
- b) The officer should not be present during any discussion which relates to a staff member's employment and where a conflict of interest is required to be disclosed.
- c) The minutes of any Board, committee, or record of meeting shall disclose the voting participation as well as the name of any officer abstaining for reason of conflict of interest rather than record a consensus decision; and
- d) The disclosure of a conflict of interest at any Board or committee meeting shall be promptly entered in the Conflicts Register of the Credit Union.

62. Any decision which is made or taken in breach of Rule 60 shall be invalid and ultra vires the Rules of the Credit Union.

DISQUALIFICATION OF DIRECTORS, AND TRUSTEES

63. A Director or Trustee shall vacate his or her office immediately if he or she:

- a) Ceases to be a member of the Credit Union, if in these Rules membership is prerequisite to holding such office; or
- b) Becomes a member of the Credit Union if not being a member was a prerequisite condition to appointment or election; or
- c) Becomes bankrupt or makes any arrangements or composition with his or her creditors generally, or
- d) Becomes a protected person under the Protection of Personal Property Rights Act 1988 or of unsound mind under the Mental Health (Compulsory Assessment and Treatment) Act 1992; or
- e) Resigns his or her office by notice in writing to the Credit Union; or

- f) Has been convicted of an offence involving fraud or dishonesty; or
 - g) Has received a notice of removal or disqualification from the Supervisor pursuant to the Trust Deed; or
 - h) Is barred from holding office under legislation affecting financial institutions, or if any public disclosure is required to be made by the Credit Union in respect of that officer concerning previous bankruptcy, conviction for a crime of dishonesty, prohibition as a director or manager, or conviction for failing to make such a disclosure; or
 - i) Fails to meet or maintain the requirements under the Fit and Proper Policy; or
 - j) Has raised one or more suitability concerns and the Reserve Bank of New Zealand has informed the Credit Union that it does not intend to give a notice of non-objection in respect of that director.
64. In the event that a Director fails to comply with agreed standards of the 'Fit and Proper Person' policy, the Board may by a simple majority stand that Director down until the issues are resolved, or the matter is investigated by the Supervisor. The determination of the Supervisor shall be final and binding.

LOANS

65. The Credit Union shall only make loans to its members, which loans shall be subject to the following:
- a) Applications for loans shall be completed on forms prescribed by the Board and shall in each case set forth the purpose for which the loan is desired, the security offered (if any) and such other information as the Board may require.
 - b) The Credit Union may make loans for such purposes and upon such security (or without security) and conditions as shall be determined from time to time by the Board.
 - c) The Board may from time to time fix the maximum amount of any loan, secure or unsecured, which may be made by the Credit Union to a member, and the total amount that may be outstanding on loans to members.
 - d) The Board may from time to time fix the maximum amount by which the indebtedness of a member (other than a non-qualifying member as defined in Rule 8 may exceed the total amount of the member's shareholding in the Credit Union, but in any event the indebtedness of a member shall not, at the time the loan is made, exceed 10 percent of the value of all tangible assets of the Credit Union in the case of a secured loan; or 5 percent in the case of an unsecured loan, as provided in the Trust Deed.
 - e) In the case of a non-qualifying member, no loan shall be made by the Credit Union if the making of the loan would cause that member's total liability (including contingent liability) to the Credit Union, whether as a borrower, guarantor, or otherwise, to exceed his or her total paid-up shareholding in the Credit Union at that time.
 - f) The maximum initial term which a loan by the Credit Union must be documented for shall be fixed by the Board but in an event shall not exceed 30 years, in the case of a secured loan, or 10 years, in the case of an unsecured loan, or such other period as may from time to time be authorised by the Act or approved by the Registrar and subject to the Trust Deed, and Legislation.

- g) In the event of insufficient funds being available to meet loan applications which would otherwise be approved it shall be the policy of the Credit Union to give preference in all cases to those applications for a lesser amount.

DONATIONS

- 66. The Directors may in their absolute discretion, but having due regard to the Credit Union's budget and liquidity, apply in any financial year up to 1 percent of the Credit Union's profits, available at the end of the previous year in making donations for charitable, cultural, benevolent, or philanthropic purposes having links with or affecting the Credit Union's membership which has a national coverage.

DIVIDENDS

- 67. Subject to any additional requirements 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, the Act and Legislation):
 - a) In the course of, and/or at the end of, each financial year, the Board may declare a dividend from the net earnings received by the Credit Union.
 - b) In the course of any financial year, the Directors may declare a special dividend to be paid on shares withdrawn prior to the end of that financial year.
 - c) Dividends may be paid on fully paid-up shares held for a period of not less than 1 month during that financial year or for such other period, whether continuous or broken, as the Board may direct. A fully paid-up share shall be deemed to have been held by the member for 1 month provided payment in full is received on or before the third working day of that month and the share remains fully paid-up until the last working day of that month.
 - d) Fully paid-up shares which at the end of the financial year have been held for a period of less than 12 months shall be entitled to payment of a dividend, if declared, of an amount in direct proportion to the period that the shares were so held.
 - e) A member shall be deemed to have 1 fully paid share for each sum of \$1 paid to the Credit Union irrespective of the number of shares for which the member has subscribed.

SERVICE OF NOTICES

- 68. It shall be the duty of each member to advise the Credit Union of any change in his or her address.
- 69. Where notice of any meeting is required to be given to a member, notice shall be deemed to have been duly given if, within the time prescribed by these Rules, written notice of the meeting and the business to be transacted at such meeting is delivered, whether by post or otherwise, to the member's last address which appears in the records of the Credit Union. Where a previous communication delivered by the Credit Union in such manner to a member

has been returned unclaimed notice shall be deemed to have been duly given to such member if, within the time prescribed by these Rules, written notice of such meeting is advertised on the Fire and Emergency New Zealand website, and the New Zealand Firefighters Credit Union website and supported media. Any notice to be given to any member may be given either personally, or by sending it by post to the address of the member shown in the records of the Credit Union; or subject to the member having consented to receive information relating to the Credit Union in an electronic form, by electronic means to the electronic address of the member shown in the records of the Credit Union.

TRANSFER OF ENGAGEMENTS

70. In the event of a proposal being received for the transfer of a credit union's engagements to the Credit Union, the Board of Directors may, subject to the applicable requirements of the Trust Deed, on behalf of the members, agree to the Credit Union accepting such a transfer of engagements in accordance with Sections 83 and 135 of the Act provided that such provided that such acceptance is by resolution passed by not less than 75 percent of the Board of Directors voting in person.
71. In considering a transfer of engagements the Board of Directors shall have regard to the consequential effects on the Credit Union's common bond and the requirements of Section 135(4) of the Act.
72. It shall be within the power of the Board of Directors when accepting a transfer of engagements to enter into an arrangement whereby the persons holding office as directors on the board or the transferring credit union (or a simple majority thereof) at the time of the transfer will have the sole right to retain the appointment of one or more (but not exceeding 3) directors who shall then hold office as additional Directors of the Credit Union for an agreed period which shall not in any case exceed 4 years. Such appointments shall be formally advised in writing and are in addition to the number of Directors specified in Rule 26(a) of these Rules.

RULES AND ALTERATIONS TO RULES

73. No new Rule shall be made nor shall any of these Rules be altered or rescinded unless notice of the motion to make such new Rule, alteration or rescission and notice of the date, place and time of the meeting called to consider such motion has been given to each member. Such meeting may adopt such new Rule, alteration or rescission only on the vote of 75 percent of the members present and voting.
74. No amendment of these Rules shall be valid until registered pursuant to Section 23 of the Act.

DISPUTES

75. (a) The following disputes shall be settled by arbitration:
- (i) Every dispute between a member, or person claiming through a member, or under these Rules, and the Credit Union or an officer thereof, including any dispute as to whether a member is entitled to be, or to continue to be a member.
 - (ii) Every dispute between a person aggrieved who has ceased to be a member, or a person claiming through such person aggrieved, and the Credit Union or an officer thereof, provided that the dispute is on a question that arose when the person aggrieved was a member or arises out of that person's membership, and includes a dispute as to whether a person aggrieved is entitled to be reinstated as a member.
- b) One arbitrator shall be nominated by the Board on behalf of the Credit Union or the officer thereof and one by the other party. If the arbitrators are able to agree their decision shall be binding and conclusive on all parties.
 - c) If the arbitrators are unable to agree they shall appoint an umpire whose decision shall be binding and conclusive on all parties.
 - d) If either party shall neglect or refuse to appoint an arbitrator for a period of 10 days after the receipt of notice of appointment of an arbitrator by the other party, such last named arbitrator may make a final decision alone and the decision so made shall be binding and conclusive on all parties.
 - e) Subject to the right of an arbitrator or umpire to state a case for the opinion of the High Court and to the right of a person to refer a dispute to the Court where no decision is made on the dispute within 40 days as provided in the Act, any decision which is binding and conclusive on all parties shall not be open to appeal and shall not be removable into any court of law or restrained by injunction and application for enforcement of the decision may be made to a court of competent jurisdiction.

INVESTIGATION

76. Application may be made to the Registrar for an investigation into the affairs of the Credit Union or for the calling of a special meeting of the Credit Union in accordance with Section 89 of the Act as follows:
- a) Where the membership of the Credit Union does not exceed 1000 members, on application made by one-fifth of the whole number of members.
 - b) Where the membership of the Credit Union exceeds 1000 members, on application made by 200 members.

DISSOLUTION

77. On the requisition of 50 percent of the members a special meeting shall be called by the Chair to consider the motion that the Credit Union be dissolved. Should such motion be carried by 75 percent of the members present then the meeting shall stand adjourned for a period of 1

month. The Secretary shall cause notice to be given to each member of such adjourned meeting and the business proposed. If at the resumption of the meeting the resolution is then confirmed by 75 percent of the members present, the consent to dissolution shall be testified by the signature of an instrument of dissolution in the form prescribed by Section 94 of the Act.

78. In the event of the dissolution of the Credit Union any assets remaining after the payment of debts, the repayment of share capital and the discharge of other liabilities of the Credit Union shall be transferred to another credit union, the Association, or alternatively, shall be applied for charitable purposes in the event of a resolution to that effect being carried by 50 percent of the members present at the adjourned meeting held in accordance with Rule 77.