

CORPORATIONS LAW

CONSTITUTION

of

**HUNTER UNITED EMPLOYEES' CREDIT UNION LIMITED
ACN 087 650 182**

*This Constitution was adopted by a special resolution of the
Credit Union on the 20th day of November 2006*

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CORPORATIONS LAW
COMPANY LIMITED BY SHARES
CONSTITUTION
OF
HUNTER UNITED EMPLOYEES' CREDIT UNION LIMITED

1. Preliminary

1.1 In this Constitution, unless the contrary intention appears:

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

'**business day**' has the same meaning as in the *Corporations Law*;

'**Company**' means Hunter United Employees Credit Union Limited, ACN 087 650 182, and before 1 July 1999 means the credit union of the same name incorporated and formed under the *Financial Institutions Code*;

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

'**Director**' includes any person occupying the position of director of the Credit Union.

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

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

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

'**Membership Share**' means the membership shares referred to in **clause 2.2(c)**;

'**New Redeemable Preference Shares**' means Redeemable Preference Shares issued in accordance with **clause 9** after the date of adoption of this Constitution;

'**Nominations Committee**' means the committee referred to in **clause 57A**;

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

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

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

'**Representative**' means a person appointed by a Member to act as its representative under **clause 39** or under section 250D of the *Corporations Law*;

'Redeemable Preference Shares' mean Statutory Redeemable Preference Shares, Transitional Redeemable Preference Shares and New Redeemable Preference Shares and redeemable preference shares issued under **clause 9**;

'Seal' means the Company's common seal (if any);

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

'Shares' means shares of the Company including Redeemable Preference Shares.

'Standard' means any prudential standard or guideline issued by APRA from time to time and which applies to the Company.

'Statutory Redeemable Preference Shares' mean the redeemable preference shares referred to in **clause 2.2(b)**;

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

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

'Transitional Redeemable Preference Shares' means the shares referred to in **clause 2.3**;

1.2 In this Constitution, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa and words importing a gender include other genders;
- (b) words importing natural persons include corporations;
- (c) words and expressions defined in the *Corporations Law* have the same meaning in this Constitution;
- (d) headings are for ease of reference only and do not affect the construction of this Constitution;
- (e) a reference to the *Corporations Law* is a reference to the *Corporations Law* and the *Corporations Regulations* as modified or amended from time to time; and
- (f) a reference to writing is a reference to any mode of representing or reproducing words in tangible and permanently visible form and includes facsimile and email transmission and documents in electronic form.

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

- 1.4 To the extent permitted by law, the replaceable rules in the *Corporations Law* do not apply to the Company.
- 1.5 The adoption of this Constitution is not intended to have any of the effects contemplated in clause 29(1) of schedule 4 of the *Corporations Law*. The occurrence of any of those events is referred to as a 'demutualisation'. If the adoption of any provision of this Constitution results in a demutualisation, then that provision is severed from this Constitution and, to the extent permitted by law, is replaced by such of provisions of the repealed constitution which was in force immediately before the adoption of this Constitution as is necessary or required so that the adoption of this Constitution does not cause or result in any demutualisation.

ISSUED SHARES

2. Statutory Membership Shares and Statutory Redeemable Preference Shares

- 2.1 Prior to 1 July 1999, the Company was a credit union regulated under the *Financial Institutions Code* with withdrawable shares on issue.
- 2.2 On 1 July 1999, the Company was taken to have become registered as a public company limited by shares under the *Corporations Law* and:
- (a) each person who was a member of the Company immediately before 1 July 1999, became a Member of the Company;
 - (b) all withdrawable shares of the Company on issue immediately before 1 July 1999 became redeemable preference shares of the Company; and
 - (c) any person who was a member of the Company immediately before 1 July 1999 and who did not hold any shares in the Company, was taken to have been issued with a Membership Share on 1 July 1999.
- 2.3 After 1 July 1999 but before the date of adoption of this Constitution, the Company issued to persons becoming Members of the Company, shares in the Company pursuant to regulation 12.8.12 of the *Corporations Regulations*. These shares are called 'Transitional Redeemable Preference Shares'.
- 2.4 Accordingly, the issued shares of the Company as at the date of adoption of this Constitution comprise:
- (a) Membership Shares
 - (b) Statutory Redeemable Preference Shares; and
 - (c) Transitional Redeemable Preference Shares.

The Redeemable Preference Shares issued under **clause 9** after the date of adoption of this Constitution are called 'New Redeemable Preference Shares'.

- 2.5 A Membership Share confers on the holder the following rights and obligations:
- (a) it is taken to have been issued under the *Corporations Law*;
 - (b) it carries the rights and obligations that were conferred or imposed on the shareholder in a capacity other than that of shareholder by:

- (i) the Company's rules (as in force immediately before 1 July 1999); and
 - (ii) the previous Financial Institutions Code;
 - (c) no amount is paid or unpaid in respect of the share;
 - (d) the share is not:
 - (i) transferable or transmissible; or
 - (ii) capable of devolution by will or by operation of law; and
 - (e) can be cancelled at the option of the shareholder or the Company in the circumstances in which the member who holds the share could have had their membership of the Company cancelled immediately before 1 July 1999.
- 2.6 Statutory Redeemable Preference Shares, Transitional Redeemable Preference Shares and New Redeemable Preference Shares comprise a single class of shares being Redeemable Preference Shares but have been separately identified in this Constitution to reflect the statutory history and origin of the shares.
- 2.7 A Redeemable Preference Share confers on the holder those rights and obligations conferred or imposed by the *Corporations Law* from time to time except that:
- (a) each share is redeemable on the same terms that a withdrawable share was withdrawable under the *Financial Institutions Code* and the Company's rules prior to 1 July 1999; and
 - (b) the holders of the share continue to have the same rights and obligations that they had or would have had by holding a withdrawable share.
- 2.8 For so long as it is permitted by law, no share certificates will be issued in respect of Membership Shares and Redeemable Preference Shares.

NEW SHARE ISSUES - MEMBERSHIP REQUIREMENTS

3. Eligibility

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

4. Common bond for individuals

A person is eligible for membership under any one of the following categories:

- (a) an employee of the Broken Hill Proprietary Company Limited or any of its subsidiaries or associated companies;
- (b) an employee within the Cities of Newcastle, Lake Macquarie or Shire of Port Stephens of an organisation having an office or business address within that area;
- (c) a resident of the Cities of Newcastle, Lake Macquarie or Shire of Port Stephens;
- (d) a person who the directors believe has an affinity with the Credit Union.

5. Common bond for bodies corporate

A body corporate is eligible for membership where the body corporate:

- (a) has an office or business address within the area specified in Clause 4;
- (b) has an employee who is a member of the Credit Union; or
- (c) is a body corporate that the directors believe has an affinity with the Credit Union.

6. Admission to membership

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

- (a) the person makes written application in a form as required by the Directors. An application for membership may be made by completing an electronic application form, signing it (whether electronically or otherwise) and returning it to the Company;
- (b) the person submits evidence satisfactory to the Directors as to that person's eligibility under this Constitution;
- (c) the person subscribes for one (1) Redeemable Preference Share at an issue price of two dollars (\$2.00) per share; and
- (d) pays any admission fee.

7. Admission to membership - delegation of power

- (a) The Directors may, by resolution, delegate its power to admit members to officers of the Company;
- (b) any delegation must not include authority to:
 - (i) reject any application for membership. Such applications must be referred to the Directors for consideration; or
 - (ii) further delegate the power to admit Members.
- (c) The delegation must be evidenced by a resolution of the Directors and a copy of that resolution must be given to each delegate.

8. Admission to membership - absolute discretion

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

9. Issue of new redeemable preference shares

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

- (a) issue and allot the Redeemable Preference Shares which shall carry the same rights and obligations as the Statutory Redeemable Preference Shares;
- (b) enter particulars in the Register; and

- (c) give the person written notification that their application for membership has been accepted.

10. Trusts not recognised

- 10.1 Except as required by law or as otherwise provided by this Constitution, the Company will not recognise any person as holding a Share on trust and the Company will not recognise any equitable, contingent, future or partial interest or any other right in respect of a Share except the registered holder's absolute right of ownership.
- 10.2 Subject to the other clauses, this **clause 10** applies even if the Company has notice of the relevant trust, interest or right.

11. Joint holders

- 11.1 If two or more persons are registered as the holders of a Share, they are taken to hold the Share as joint tenants with benefits of survivorship and the person whose name appears first on the Register is the only joint holder entitled to receive notices from the Company.
- 11.2 Any one of the joint holders of a Share may give effectual receipts for any return of capital payable to the joint holders.

MEMBERSHIP CEASING

12. Cessation of membership

A person ceases to be a Member when:

- (a) that person is expelled under **clause 14**;
- (b) that person's membership is cancelled under **clause 15**;
- (c) that person redeems his or her Redeemable Preference Shares from the Company in accordance with **clause 19**;
- (d) the capital paid in relation to that person's Redeemable Preference Shares or, in the case of the holder of a Membership Share the amount required to be tendered and held as a deposit under the former rules of the Company, has been appropriated by the Company under **clause 21**;
- (e) the Directors approve an application for cancellation of membership by a holder of a membership share on being satisfied that all financial accommodation and other obligations have been discharged;
- (f) that person becomes a bankrupt or, being a body corporate is wound up; or
- (g) that person dies.

13. Cancellation of shares

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

14. Expulsion

- (a) The Directors may expel a member on the grounds that the member:
 - (i) has failed to discharge his or her obligations to the Company;
 - (ii) has been guilty of conduct detrimental to the Company; or
 - (iii) has obtained membership by misrepresentation or mistake.
- (b) Before proceedings to consider a resolution to expel a member, the Directors must give the member 14 day's notice of the proposed resolution.
- (c) At the time the Directors consider the proposed resolution, the member is entitled:
 - (i) to be present with or without his or her legal representative; and
 - (ii) to be heard, either in person or through his or her legal representative.
- (d) The Company must pay the expelled member the amount paid up on that member's Redeemable Preference Shares after satisfaction of all liabilities and obligations.
- (e) The expelled member has the right of appeal in accordance with any procedures established by the Board under clause 72.2.

15. Dormancy

- (a) The Company may classify a Member's deposit account as a dormant account if:
 - (i) there have been no Transactions in the account for at least 1 year;
 - (ii) the Company has given the Member a written notice stating that, unless the Member gives to the Company a written notice within 1 month stating that the Member wishes the account to remain open, the Company intends to close the account; and
 - (iii) the Company does not receive a written notice from the Member under paragraph (ii).
- (b) The Company may cancel that Member's shares if the Member's only account with the Company is a dormant account.
- (c) The Company may transfer the amount held in a dormant account to a suspense account.
- (d) The Company may charge a Member a fee for keeping an account for the Member in the suspense account but the fee must not be more than the lesser of:
 - (i) the amount held for the person in the suspense account; or
 - (ii) such amount determined by the Board from time to time.

- (e) This clause is subject to any law of unclaimed money.

16. Death of a Member

The estate of a deceased Member:

- (a) remains liable to the Company for the amount of any unpaid financial accommodation provided by the Company to the deceased Member; and
- (b) retains any entitlements due from the Company.

17. Bankruptcy or winding-up of a Member

The rights and liabilities of Members made bankrupt or wound-up are as provided in the laws relating to bankruptcy and insolvency.

SHARES

18. Ranking of shares

Each Share ranks equally with all other Shares.

19. Repayment of share capital

The Company must repay the amount paid up in respect of a Member's Redeemable Preference Shares if:

- (a) the Member requests it; and
- (b) the Member has repaid all outstanding financial accommodation and discharged all other obligations to the Company.

20. Shares not transferable

A Member may not transfer, sell or assign Redeemable Preference Shares but may require such Redeemable Preference Shares to be repaid in accordance with **clause 19**.

21. Charge on Redeemable Preference Shares or Deposit Account

21.1 If the Company has informed a Member:

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

the Company may charge that Member's Redeemable Preference Shares or the credit balance of that Member's deposit account for any debt owed by the Member to the Company.

21.2 If the Company has complied with **clause 21.1**, the Company has in relation to any debt owed by that Member of the Company, a charge on:

- (a) the Member's Statutory Redeemable Preference Shares;
- (b) the credit balance of any deposit account of the Member; and

(c) any interest, bonus or rebate payable to the Member.

21.3 The Company can exercise its charge by appropriating any capital paid in relation to the Member's Redeemable Preference Shares or any other money subject to the charge. If the Company appropriates the whole of the capital paid in relation to a Member's Redeemable Preference Shares or the credit balance of any deposit account of the Member, the Redeemable Preference Shares held by that person or monies in any such deposit account will be forfeited and any surplus funds must be refunded to the Member.

GENERAL MEETINGS

22. Convening general meeting

22.1 Any Director may, at any time, convene a general meeting.

22.2 (a) A Member may request the Directors to convene a general meeting only in accordance with section 249D of the *Corporations Law*.

(b) A Member may not convene or join in convening a general meeting except in accordance with section 249E or 249F of the *Corporations Law*.

23. Notice of general meeting

23.1 Subject to the provisions of the *Corporations Law* allowing general meetings to be held with shorter notice and exempting the Company from the requirement to give notices of meetings of the Company to a particular member, at least 21 days written notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) must be given to Members of any general meeting.

23.2 A notice convening a general meeting:

(a) must specify the place, date and time of the meeting and, if the meeting is to be held in two or more places, the technology that will be used to facilitate this;

(b) must state the general nature of the business to be transacted at the meeting; and

(c) may specify a place, facsimile number and electronic address for the purposes of proxy appointment.

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

(a) the consideration of the annual financial report, Directors' report and Auditor's report;

(b) the election of directors;

(c) the appointment and fixing of the remuneration of the Directors.

23.4 (a) The Directors may postpone or cancel any general meeting whenever they think fit (other than a meeting convened as the result of a request under **clause 22.2**).

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

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

PROCEEDINGS AT GENERAL MEETINGS

24. Member

In **clauses 25, 26, 28 and 30**, 'Member' includes a Member present in person or by proxy, attorney or Representative.

25. Quorum

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

25.2 A quorum of Members is ten (10).

25.3 If a quorum is not present within 30 minutes after the time appointed for a meeting:

- (a) if the meeting was convened on the requisition of Members, it is automatically dissolved; or
- (b) in any other case:
 - (i) it will stand adjourned to the same time and place seven days after the meeting, or to another day, time and place determined by the Directors; and
 - (ii) if at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, it is automatically dissolved.

26. Chairperson

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

26.2 If:

- (a) there is no chairperson or deputy chairperson; or
- (b) neither the chairperson nor deputy chairperson is present within 15 minutes after the time appointed for holding the meeting; or
- (c) the chairperson and deputy chairperson are unwilling to act as chairperson of the meeting,

the Directors present may elect a chairperson.

26.3 If no election is made under **clause 26.2**, then:

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

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

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

27. Adjournment

- 27.1 The chairperson of a meeting at which a quorum is present:
- (a) in his or her discretion may adjourn a meeting with the meeting's consent; and
 - (b) must adjourn a meeting if the meeting directs him or her to do so.
- 27.2 An adjourned meeting may take place at a different venue to the initial meeting.
- 27.3 The only business that can be transacted at an adjourned meeting is the unfinished business of the initial meeting.
- 27.4 If a general meeting has been adjourned for more than 21 days, at least 3 days written notice (exclusive of the day on which the notice is served or taken to be served and of the day for which notice is given) of the adjourned meeting must be given to Members.

28. Decision of questions

- 28.1 Subject to the *Corporations Law* in relation to special resolutions, a resolution is carried if a majority of the votes cast on the resolution are in favour of the resolution.
- 28.2 A resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded in accordance with the *Corporations Law*.
- 28.3 The chairperson does not have a casting vote in addition to the chairperson's votes as a Member, proxy, attorney or Representative.
- 28.4 Unless a poll is demanded:
- (a) a declaration by the chairperson that a resolution has been carried, carried by a specified majority, or lost; and
 - (b) an entry to that effect in the minutes of the meeting,
- are conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against the resolution.
- 28.5 The demand for a poll may be withdrawn.
- 28.6 A decision of a general meeting may not be impeached or invalidated on the ground that a person voting at the meeting was not entitled to do so.

29. Taking a poll

- 29.1 A poll will be taken when and in the manner that the chairperson directs.
- 29.2 The result of the poll will be the resolution of the meeting at which the poll was demanded.
- 29.3 The chairperson may determine any dispute about the admission or rejection of a vote.
- 29.4 The chairperson's determination, if made in good faith, will be final and conclusive.
- 29.5 A poll demanded on the election of the chairperson or the adjournment of a meeting must be taken immediately.

- 29.6 After a poll has been demanded at a meeting, the meeting may continue for the transaction of business other than the question on which the poll was demanded.

VOTES OF MEMBERS

30. Entitlement to vote

A Member's entitlement to vote may not be exercised if:

- (a) in the case of a Member who is a holder of Redeemable Preference Shares, that Member did not hold the required number of Redeemable Preference Shares required to be held under the former rules of the Company or (where the Shares are issued under this Constitution) under **clause 9**, as paid up shares:
 - (i) in relation to an annual general meeting, on the day before nominations for election of Directors close; and
 - (ii) in relation to a special general meeting, at least seven days before notice of the special general meeting is given; and
- (b) in the case of a Member who is the holder of a Membership Share, that Member did not make a deposit of or does not subsequently hold a deposit of the amount required to be tendered under the previous rules of the Company;
 - (i) in relation to an annual general meeting, on the day before nominations for election of Directors close; and
 - (ii) in relation to a special general meeting, at least seven days before notice of the special general meeting is given.
- (c) A Member who is a minor may not vote or hold office in the Company.

31. Voting Rights

At general meetings:

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

32. Joint holders

- 32.1 If two or more joint holders purport to vote, the vote of the joint holder whose name appears first in the Register will be accepted, to the exclusion of the other joint holder or holders.
- 32.2 For the purposes of this **clause 32**, several executors or administrators of a deceased Member in whose sole name any Shares are registered will be taken to be joint holders of those Shares.

33. Objections

- 33.1 An objection to the qualification of a voter may be raised only at the meeting or adjourned meeting at which the voter tendered its vote.
- 33.2 An objection must be referred to the chairperson of the meeting, whose decision made in good faith is final.
- 33.3 A vote which the chairperson does not disallow pursuant to an objection is valid for all purposes.

34. Votes by operation of law

A person who has satisfied the Directors not less than 24 hours before a general meeting that the person is entitled to a Share by operation of law may exercise all rights attached to the Share in relation to a general meeting, as if the person were the registered holder of the Share.

35. Votes by proxy

- 35.1 If a Member appoints one proxy, that proxy may vote on a show of hands. A person may not act as proxy for more than ten Members.
- 35.2 A proxy may demand or join in demanding a poll.

36. Instrument appointing proxy

- 36.1 A Member who is entitled to vote at a meeting may appoint one proxy.
- 36.2 A Member who is a natural person may appoint a proxy by a written appointment signed by the appointor or the appointor's attorney duly authorised in writing.
- 36.3 A Member which is a corporation may appoint a proxy by a written appointment executed in accordance with section 127 of the *Corporations Law* or signed by the appointor's attorney duly authorised in writing.
- 36.4 A proxy need not be a Member.
- 36.5 (a) An appointment of a proxy must be in a form approved by the Directors.
- (b) **Schedule 1** sets out a form which will be taken to be approved by the Directors unless they resolve to use a different form.
- 36.6 A proxy may vote or abstain as he or she chooses except to the extent that an appointment of the proxy indicates the manner in which the proxy will vote on any resolution. The proxy must vote or abstain on a poll or show of hands in accordance with any instructions on the appointment.
- 36.7 A proxy's appointment is valid at an adjourned meeting.

37. Lodgment of proxy

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

- (a) the time for holding the meeting or adjourned meeting at which the appointee proposes to vote; or
- (b) the taking of a poll on which the appointee proposes to vote.

37.2 If the appointment purports to be executed under a power of attorney or other authority, then the original document, or an office copy or a notarially certified copy of it, must be forwarded with the appointment.

37.3 The Company receives an appointment of a proxy and any power of attorney or other authority under which it was executed when they are received at:

- (a) the Office;
- (b) a facsimile number at the Office; or
- (c) a place, facsimile number or electronic address specified for that purpose in the notice of meeting.

38. Validity

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

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

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

39. Representatives of corporations

39.1 Any Member which is a corporation may appoint an individual as its representative as provided by the *Corporations Law*.

39.2 The chairperson of a general meeting may permit a person claiming to be a Representative to exercise his or her powers even if he or she has not produced a certificate evidencing his or her appointment, or may allow the Representative to vote on the condition that he or she subsequently establishes to the satisfaction of the chairperson of the general meeting his or her status as a Representative within a period prescribed by the chairperson of the general meeting.

39.3 The appointment of a Representative may set out restrictions on the Representative's powers.

APPOINTMENT AND REMOVAL OF DIRECTORS

40. Number of Directors

40.1 Subject to the *Corporations Law*, the Company may by resolution passed at a general meeting increase or reduce the minimum or maximum number of Directors.

40.2 Until the Company resolves otherwise there will be:

- (a) a minimum of five (5) Directors; and
- (b) a maximum of nine (9) Directors.

40.3 The Directors must take all reasonable steps to ensure that the composition of the Board of Directors complies with any relevant Standard.

41. Qualification

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

- (a) is not a Member of the Company; or
- (b) is not the representative of a body corporate member of the Company; or
- (c) is a minor; or
- (d) is an employee of the Company (except where **clause 53** applies); or
- (e) is bankrupt, has applied to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounded with his or her creditors, or made an assignment of his or her remuneration for their benefit; or
- (f) is disqualified or prevented by law from being a director of a body corporate for reasons other than the person's age; or
- (g) fails to provide all information and consents the Directors reasonably request to determine if the person is of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy or is disqualified or prevented by law from being a Director; or
- (h) has been convicted in the last ten years of:
 - (i) an indictable offence in relation to the promotion, formation or management of a body corporate; or
 - (ii) an offence involving fraud or dishonesty; or
- (i) is a Member whose voting rights have been suspended under **clause 30**.
- (j) is assessed as being not of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy.

42. Election of Directors and the appointment and removal of Directors

42.1 The rules in **Schedule 2** apply to the election of Directors.

42.2 The Company may by resolution passed in general meeting:

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

42.3 Each Director, or candidate for election or appointment as a Director, must provide to the Company on request such information as the Company requires (including consents

for the Company to access sensitive information under the *Privacy Act 1988*) to comply with:

- (a) the Fit and Proper Policy;
- (b) any relevant Standard; or
- (c) any other relevant law or financial or other reporting requirement.

42.4 Each Director must provide updated information to the Company if the information previously provided in accordance with clause 42.3 changes or becomes out of date where notification of such change is necessary for the Company to maintain compliance with the requirements set out in clause 42.3.

42.5 If the conduct or position of any Director is such that continuance in office appears to the majority of the Directors to be prejudicial to the interests of the Company:

- (a) a majority of Directors at a meeting of the Directors specifically called for the that purpose may suspend that Director;
- (b) the suspended Director may not take any part in the business or affairs of the Company until the suspension has been terminated;
- (c) within 14 days of the suspension, unless a provision of clause 46 applies, the Directors must call a general meeting, at which the Members may consider a motion to remove the Director from office in accordance with clause 42.2;
- (d) if a motion to remove the Director from office is not carried at the general meeting called to consider the matter, the suspension of the Director is terminated and the Director is reinstated in his or her office.

43. Additional and casual Directors

43.1 Subject to **clause 41**, the Directors may appoint any person as a Director to fill a casual vacancy or as an addition to the existing Directors but not if that appointment would result in the maximum number of Directors being exceeded.

43.2 If a person is appointed by the other directors as a director, that person holds office until the conclusion of the Company's next annual general meeting. Subject to the Corporations Law and this Constitution that person is eligible to be elected at that annual general meeting as a director in accordance with this Constitution. If the person is not so elected as a director, then the person ceases to be a director of the Company at the end of the annual general meeting.

44. Retirement by rotation and nominations of directors

44.1 At the first annual general meeting held after the adoption of this constitution, three (3) directors must retire from office and then at the next succeeding General Meetings in the ratio of two (2), two (2), three (3).

- 44.2 (a) The Directors to retire by rotation at an annual general meeting are those Directors who have been longest in office since their last election or appointment.
- (b) Directors elected or appointed on the same day may agree among themselves or determine by lot which of them must retire.

- 44.3 Subject to **clause 44.1**, a Director must retire from office at the conclusion of the third annual general meeting after the Director was last elected.
- 44.4 A retiring Director will be eligible for re-election.
- 44.5 A person other than a Director retiring by rotation or seeking re-election is not eligible for election as a Director at a general meeting unless the person complies with the rules relating to the nomination of candidates set out in **Schedule 2**.

45. Period of office

Subject to this Constitution, a Director is elected for a term of three years, commencing at the end of the annual general meeting at which his or her election is announced and ending at the end of the third annual general meeting happening after his or her election.

Subject to this clause, a Director will continue to hold office until he or she dies or until his or her office is vacated pursuant to **clause 46**.

46. Vacation of office

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

- (a) dies;
- (b) ceases to be eligible to be a Director under **clause 41**;
- (c) as a representative of a body corporate member of the Company whose eligibility for election to the office was based on being that representative, ceases to be so eligible;
- (d) having been elected as an Employee Director ceases to be an employee of the Company;
- (e) is absent from three consecutive ordinary meetings of the Board of Directors without its leave;
- (f) resigns by written notice given to the Board of Directors;
- (g) is three months in arrears in relation to money due to the Company and has failed to make arrangement for payment satisfactory to the Company;
- (h) completes a term of office;
- (i) is disqualified or prevented by law from holding office or continuing as a Director;
- (j) fails to provide all information and consents the Directors reasonably request to determine if the person is of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy or is disqualified or prevented by law from being a Director;
- (k) is assessed as being not of appropriate fitness and propriety to be and act as Director by reference to the Fit and Proper Policy;
- (l) is the subject of a direction under section 23 of the *Banking Act 1959 (Cth)*;

- (m) cannot manage the Company because of his or her mental incapacity and is a person whose estate or property has had a personal representative or trustee appointed to administer it; or
- (n) is removed by a resolution of the Company.

REMUNERATION OF DIRECTORS

47. Remuneration of Directors

- 47.1 The Directors (other than any Employee Director) may be paid as remuneration for their services the aggregate maximum sum from time to time determined by the Company in general meeting.
- 47.2 Unless otherwise resolved by the Company in general meeting, the remuneration will be divided between the Directors in such proportion and manner as the Directors agree and, in default of agreement, equally and the Directors may determine how and when it is to be paid. The remuneration accrues from day to day.
- 47.3 If a Director is required to perform services for the Company which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, then the Company may pay the Director a fixed sum determined by the Directors in addition to or instead of the Director's remuneration under **clause 47.1**.
- 47.4 In addition to remuneration, the Directors may be paid all reasonable expenses incurred by them in connection with the business of the Company.
- 47.5 The Company may also pay a premium in respect of a contract insuring a person who is or has been a Director against a liability incurred by the person as a Director, except in circumstances prohibited by the *Corporations Law*.

48. Remuneration of Employee Director

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

POWERS AND DUTIES OF DIRECTORS

49. Directors to manage Company

- 49.1 The business of the Company is managed by the Directors who may exercise all powers of the Company that this Constitution and the *Corporations Law* do not require to be exercised by the Company in general meeting.
- 49.2 Without limiting the generality of **clause 49.1**, subject to any applicable prudential standards (including standards issued by the Australian Prudential Regulations Authority) the Directors may exercise all the powers of the Company to:
 - (a) borrow money;
 - (b) charge any property or business of the Company or all or any of its uncalled capital;

- (c) issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person; and
- (d) guarantee or to become liable for the payment of money or the performance of any obligation by or of any other person.

49.3 Every Director and other agent or officer of the Company must:

- (a) keep secret all aspects of all transactions of the Company, except:
 - (i) to the extent necessary to enable the person to perform his or her duties to the Company;
 - (ii) as required by law; and
 - (iii) when requested to disclose information by the Directors, to the auditors of the Company or a general meeting of the Company; and
- (b) if requested by the Directors, sign and make a declaration that he or she will not disclose or publish any aspect of any transaction of the Company.

PROCEEDINGS OF DIRECTORS

50. Directors' meetings

- 50.1 A Director may at any time, and the Secretary must on the request of a Director, convene a Directors' meeting.
- 50.2 It is not necessary to give notice of a meeting of the Directors to a Director whom the Secretary, when giving notice to the other Directors, reasonably believes to be outside Australia.
- 50.3
- (a) Subject to the *Corporations Law*, a Directors' meeting may be held by the Directors communicating with each other by any technological means by which they are able simultaneously to hear each other and to participate in discussion.
 - (b) The Directors need not all be physically present in the same place for a Directors' meeting to be held.
 - (c) A Director who participates in a meeting held in accordance with this **clause 50.3** is taken to be present and entitled to vote at the meeting.
 - (d) A Director can only withdraw his or her consent to the means of communication between Directors proposed for a Director's Meeting if the Director does so at least 48 hours before the meeting,
- 50.4 **Clause 50.3** applies to meetings of Directors' committees as if all committee members were Directors.
- 50.5 The Directors may meet together, adjourn and regulate their meetings as they think fit.
- 50.6 At a meeting of Directors, a quorum is four (4) or a number not less than half the total number of Directors, whichever is the greater. If within 30 minutes of the time

appointed for a meeting of the Board, a quorum is not present the meeting will stand adjourned to the same day in the next week at the same time and place.

- 50.7 Notice of a meeting of Directors may be given in writing, or the meeting may be otherwise called using any technology consented to by all the Directors.

51. Decision of questions

- 51.1 Subject to this Constitution, questions arising at a meeting of Directors are to be decided by a majority of votes of the Directors present and voting and, subject to this **clause 51**, each Director has one vote.
- 51.2 The chairperson of a meeting does not have a casting vote in addition to his or her deliberative vote if there is an equality of votes.

52. Directors' interests

- 52.1 A Director and any firm, body or entity in which a Director has a direct or indirect interest may in any capacity:
- (a) enter into any contract or arrangement with the Company;
 - (b) be appointed to and hold any office or place of profit under the Company, other than the office of auditor; and
 - (c) act in a professional capacity, other than as auditor, for the Company,
- and may receive and retain for his or her own benefit any remuneration, profits or benefits as if he or she were not a Director.
- 52.2 Each Director must disclose his or her interests to the Company in accordance with the *Corporations Law* and the Secretary must record all declarations in the minutes of the relevant Directors' meeting.
- 52.3 A Director's failure to make disclosure under this clause does not render void or voidable a contract or arrangement in which the Director has a direct or indirect interest.
- 52.4 A Director must not vote in respect of a contract or arrangement or proposed contract or arrangement in which the Director has a direct or indirect material interest.
- 52.5
- (a) If the Director does purport to vote, the Director's vote will not be counted.
 - (b) The requirement in this **clause 52.5(a)** is in addition to any requirements of the *Corporations Law* in relation to voting by an interested director of a public company.
- 52.6 A Director may join in executing in accordance with section 127 of the *Corporations Law* any document relating to a contract or arrangement or proposed contract or arrangement in which the Director has an interest.

53. Employee Directors

The Members may elect one employee of the Company, otherwise qualified under **clause 41** to be a Director the Company. Only the Directors may nominate an employee for election.

54. Remaining Directors

- 54.1 The Directors may act even if there are vacancies on the board.
- 54.2 If the number of Directors is not sufficient to constitute a quorum at a Directors' meeting, the Directors may act only to:
- (a) appoint a Director; or
 - (b) convene a general meeting.

55. Chairperson

- 55.1 The Directors may elect a Director as chairperson of Directors' meetings and may determine the period for which the chairperson will hold office.
- 55.2 If no chairperson is elected or if the chairperson is not present at any Directors' meeting within 10 minutes after the time appointed for the meeting to begin, the Directors present must elect a Director to be chairperson of that meeting only.
- 55.3 The Directors may elect a Director as deputy chairperson to act as chairperson in the chairperson's absence.

56. Directors' committees

- 56.1 (a) The Directors may delegate any of their powers to a committee or committees.
- (b) A committee must include at least one Director.
- (c) The Directors may at any time revoke any delegation of power to a committee.
- 56.2 A committee must exercise its powers in accordance with any directions of the Directors and a power exercised in that way is taken to have been exercised by the Directors.
- 56.3 A committee may be authorised to sub-delegate all or any of the powers for the time being vested in it.
- 56.4 Meetings of any committee will be governed by the provisions of this Constitution which deal with Directors' meetings so far as they are applicable and are not inconsistent with any directions of the Directors.

57A Nominations Committee

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

57. Written resolutions

- 57.1 The Directors may pass a resolution without a directors' meeting being held if all the Directors entitled to vote on the resolution sign a document containing a statement that

they are in favour of the resolution set out in the document. The resolution is passed when the last Director signs.

- 57.2 For the purposes of **clause 57.1**, separate copies of a document may be used for signing by Directors if the wording of the resolution and statement is identical in each copy.
- 57.3 Any document referred to in this clause may be in the form of a facsimile transmission or electronic notification.
- 57.4 This clause applies to meetings of Directors' committees as if all members of the committee were Directors.

58. Validity of acts of Directors

If it is discovered that:

- (a) there was a defect in the appointment of a person as a Director or member of a Directors' committee; or
- (b) a person appointed to one of those positions was disqualified,

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

59. Minutes and registers

- 59.1 The Directors must cause minutes to be made of:
- (a) the names of the Directors present at all general meetings, Directors' meetings and meetings of Directors' committees;
 - (b) all proceedings and resolutions of general meetings, Directors' meetings and meetings of Directors' committees;
 - (c) all resolutions passed by the Directors in accordance with **clause 57**;
 - (d) all orders made by the Directors and Directors' committees; and
 - (e) all disclosures of interests made pursuant to **clause 52**.
- 59.2 Minutes must be signed by the chairperson of the meeting or by the chairperson of the next meeting of the relevant body, and if so signed will as between the members be conclusive evidence of the matters stated in such minutes.

60. Appointment of attorneys and agents

- 60.1 The Directors may from time to time by resolution or power of attorney executed in accordance with section 127 of the *Corporations Law* appoint any person to be the agent or attorney of the Company:
- (a) for the purposes;
 - (b) with the powers, authorities and discretions (not exceeding those exercisable by the Directors under this Constitution);
 - (c) for the period; and
 - (d) subject to the conditions, determined by the Directors.
- 60.2 An appointment by the Directors of an attorney or agent of the Company may be made in favour of:
- (a) any company;
 - (b) the members, directors, nominees or managers of any company or firm; or
 - (c) any fluctuating body of persons whether nominated directly or indirectly by the Directors.
- 60.3 A power of attorney may contain such provisions for the protection and convenience of persons dealing with an attorney as the Directors think fit.
- 60.4 The Directors may appoint attorneys or agents by facsimile transmission, telegraph or cable to act for and on behalf of the Company.
- 60.5 An attorney or agent appointed under this **clause 60** may be authorised by the Directors to sub-delegate all or any of the powers authorities and discretions for the time being vested in it.

SECRETARY

61. Secretary

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

SEALS

62. Common Seal

If the Company has a Seal:

- (a) the Directors must provide for the safe custody of the Seal;
- (b) the Seal must not be used without the authority of the Directors or a Directors' committee authorised to use the Seal; and
- (c) every document to which the Seal is affixed must be signed by a Director and be countersigned by another Director, the Secretary or another person appointed by the Directors to countersign the document.

63. Duplicate Seal

63.1 If the Company has a Seal, the Company may have one or more duplicate Seals of the Seal each of which:

- (a) must be a facsimile of the Seal with the addition on its face of the words 'Duplicate Seal';
- (b) must only be used with the authority of the Directors or a Directors' Committee.

INSPECTION OF RECORDS

64. Times for inspection

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

RESERVES

65. Calculation and Distribution of reserves

The Company's profit or loss in any one financial year arising from its operations must be determined and dealt with in accordance with any applicable prudential standards. The Directors must also resolve in each financial year the amount of profit which must be carried to a reserve. Reserves can be used in the business of the Company or can be distributed on a winding up in accordance with this Constitution. No dividend is payable in respect of any Shares.

NOTICES**66. Service of notices**

66.1 Notice may be given by the Company to any person who is entitled to notice under this Constitution by:

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

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

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

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

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

66.4 A notice posted on a notice board is taken to be served 24 hours after it is posted on the board.

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

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

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

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

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

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

67. Persons entitled to notice

67.1 Notice of every general meeting must be given to:

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

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

AUDITS AND ACCOUNTS**68. Company to keep accounts**

68.1 The Directors must cause the Company to keep written financial records in relation to the business of the Company in accordance with the requirements of the *Corporations Law*.

68.2 The Directors must cause the financial records of the Company to be audited in accordance with the requirements of the *Corporations Law*.

WINDING UP**69. Liability on Winding Up**

69.1 Subject to this **clause 69**, on the winding up of the Company:

- (a) a Member's liability is limited to the amount unpaid in relation to the Member's contractual obligations with the Company; and
- (b) the liability of a holder of Statutory Redeemable Preference Shares extends to the amount unpaid in relation to those shares.

69.2 Any deposit paid by the holder of a Membership Share for the purposes of becoming a Member of the Company held by the Company at the date of commencement of any winding up will be subordinated to the claims of other creditors.

70. Surplus

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

PAYMENTS BY THE COMPANY**71. Indemnity and Insurance**

71.1 To the extent permitted by law and that the officer or auditor is not indemnified by directors' and officers' liability insurance maintained by the Company, the Company indemnifies every person who is or has been an officer or auditor of the Company against any liability:

- (a) incurred by that person as such an officer or auditor to another person other than the Company or a related body corporate of the Company unless the liability arises out of conduct involving a lack of good faith; and
- (b) for costs and expenses incurred by the person as such an officer or auditor:
 - (i) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or
 - (ii) in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Law.

71.2 The Company may pay or agree to pay a premium in respect of a contract insuring a person who is or has been an officer or auditor of the Company against a liability:

- (a) incurred by the person as such an officer or auditor unless the liability arises out of conduct involving:
 - (i) a wilful breach of duty in relation to the Company; or
 - (ii) without limiting subparagraph (i), a contravention of sections 182 or 183 of the *Corporations Law*; or
- (b) for costs and expenses incurred by the person as such an officer or auditor in defending proceedings, whether civil or criminal and whatever their outcome.

72. General

72.1 The Company must not provide financial accommodation to a person who is not a Member. This clause however does not limit the powers of the Company to invest funds, subject to any particular laws and prudential standards, otherwise than by way of financial accommodation to its Members. Nothing in this clause prohibits or prevents the Company from accepting a deposit of money from a non-Member in accordance with any applicable laws and prudential standards.

72.2 Dispute Resolution

- (a) A dispute between the Credit Union and a member (in the capacity as a member) will be settled by arbitration in accordance with the Commercial Arbitration Act, 1984, as amended, from time to time.
- (b) Nothing in this Rule shall apply to any dispute as to the construction or effect of the financial institutions legislation or of any mortgage or of any contract contained in any document other than these Rules.
- (c) For the purposes of this Rule:
 “Credit Union” includes the Board and any officer.

“Member” includes:

- (i) any person aggrieved who has not for more than three months ceased to be a member; and
- (ii) any person claiming by or through a member or by or through a person referred to in (i).

72.3 Fines and Forfeitures

Unless expressly provided by any other Rule, no member is liable to any fine or forfeiture other than as may be imposed by law.

72.4 Fees and Charges

The Board may from time to time determine fees and charges for any one service provided by the credit union.

HUNTER UNITED EMPLOYEES' CREDIT UNION LIMITED

ACN 087 650 182

GENERAL MEETING

PROXY FORM

The Secretary
Hunter United Employees' Credit Union Limited
ACN 087 650 182
130 Lambton Road
BROADMEADOW NSW 2292

I/We
(please print)

of.....
(please print)

being a Member(s) of **Hunter United Employees' Credit Union Limited**, ACN 087 650 182
appoint:

Name of proxy

Address of proxy.....

or, in his/her absence:

Name of proxy

Address of proxy.....

as my/our proxy to vote on my/our behalf at the general meeting of **Hunter United Employees' Credit Union Limited**, ACN 087 650 182, to be held on at am/pm and at any adjournment of that meeting.

Proxy Instructions

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

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

Resolution	For <input type="checkbox"/>	Against <input type="checkbox"/>	Abstain <input type="checkbox"/>
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HUNTER UNITED EMPLOYEES' CREDIT UNION LIMITED

ACN 087 650 182

GENERAL MEETING

Page 2 (con't.)

This proxy must be signed by each appointing Member or the Member's attorney. Proxies given by companies must be executed in accordance with section 127 of the Corporations Law or signed by an authorised officer or attorney.

Dated:

COMMON SEAL	SIGNATURE(S)	NAME (Print)	ADDRESS

This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged at the registered office of **Hunter United Employees' Credit Union Limited**, ACN 087 650 182, 130 Lambton Road, Broadmeadow, NSW, 2292 or by facsimile on (02)49562348 no later than am/pm on, being not later than 48 hours before the meeting.

Notes:

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

SCHEDULE 2

ELECTION OF DIRECTORS

TIMETABLE FOR CONDUCTING AN ELECTION OF DIRECTORS

Days before Annual General Meeting	Procedures for Election of Directors	Procedures for Annual General Meeting
70	Call for Nominations	Advance Notification of Annual General Meeting
49	Nominations Close	End of time for members to notify any proposed resolution for inclusion in Notice of Annual General Meeting
21	Names to be included in Notice of Annual General Meeting	Notice of Annual General Meeting issued
0	Annual General Meeting	

1. Holding of Election

An election of Directors of the Credit Union is to be held by show of hands. Where nominations equal or are less than the number of positions to be filled, Directors shall be elected by separate resolution for each Candidate.

2. Appointment of Returning Officers

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

3. Electoral Roll

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

4. Nominations

- (a) The Board of Directors must call for nominations at least 70 days prior to the Annual General Meeting.
- (b) Nominations close 49 days before the Annual General Meeting.
- (c) In order to be nominated, a candidate must:
 - (i) be eligible for election under clause 41;
 - (ii) be nominated by two (2) members; and

- (iii) consent to nomination.
- (d) A retiring Director may stand for re-election without nomination but must be eligible for election under clause 41.

5. Declaration by Candidate

A candidate must furnish to the Credit Union a declaration in such form as the Board of Directors may require:

- (a) as to his or her eligibility for election under clause 41; and
- (b) as to whether he or she:
 - (i) has any interest in a contract or a proposed contract, with the Credit Union; or
 - (ii) holds an office or has an interest in property, whereby, whether directly or indirectly, duties or interests may be created that could conflict with a Director's duties or interests as a Director of the Credit Union.

6. Rejection of Nomination

- (a) The Returning Officer must scrutinise nominations immediately upon receipt and reject a nomination where it appears to the Returning Officer that the candidate is not eligible under clause 41.
- (b) Upon rejecting a nomination, the Returning Officer is to notify immediately the candidate, the candidate's proposers and the Board of Directors.

7. Appointment of Scrutineer

- (a) A candidate may appoint a scrutineer and the Board of Directors may appoint a maximum of three scrutineers, none of whom is a candidate.
- (b) The duties and responsibilities of scrutineers are to observe the counting of votes.

8. Candidates Names to be Included in Notice of Annual General Meeting

- (a) After nominations have closed, the Returning Officer is to prepare a list of candidates for inclusion in the Notice of Annual General Meeting.
- (b) The order in which the candidates appear in the Notice is to be determined by the Returning Officer by lot.

9. Conduct of the Election

The election is to be conducted at the Annual General Meeting.

10. Voting System

- (a) On any election of Directors, the person receiving the highest number of votes in accordance with the numbers of vacancies to be filled are elected directors.
- (b) In the case of an equality of votes, the person to be elected must be decided by lot.

SCHEDULE 2A

NOMINATIONS COMMITTEE

1. Appointment

1.1 The Directors shall establish a Nominations Committee comprising three Directors none of whom shall be employees of the Credit Union or a Director standing for election as a Director.

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

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

2. Role

2.1 The Nominations Committee shall assess:

- (a) persons for election or appointment as a Director;
- (b) candidates for the position of Managing Director,

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

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

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