

Minutes of the Special Meeting (SM)

Monday, 26 August 2019 at 6.05pm

Havelock North Function Centre, 30 Te Mata Road, Havelock North

1 INTRODUCTION

1.1 Karakia

An opening karakia was performed by Te Taru White.

1.2 Welcome

The Chair, Iain Taylor welcomed everyone to the Special Meeting.

1.3 Credit Union Prayer

The International Credit Union Prayer was read by Louise Edwards.

The SM was declared open and a warm welcome extended to members and visitors. The attendance of John Dixon (PricewaterhouseCoopers), Susan Bingham (Trustees Executors Ltd), Claire Evans and Gerard Dale (Lane Neave), was acknowledged. The Board Members were also introduced.

1.4 Ascertain Quorum

It was ascertained there was a quorum present (minimum 15 members).

2 APOLOGIES

Apologies were received from Stuart Signal (Staples Rodway), Robert Tait and Credit Union Baywide Board Directors; Graham Clouston, Steve Wakefield and Jared McGillicuddy. Apologies received were accepted.

Noted the minutes of the 2018 Annual General Meeting and the March 2019 Special Meeting will be carried forward for approval at the Annual General Meeting in October.

3 PRESENTATION

Heidi Beech gave an overview of the resolutions. Key highlights included:

- Replacement Rules (excluding enterprise provisions)
- Replacement Rules regarding enterprise provisions
- Incorporation Application (submission of the application for incorporation and revised Rules to the Registrar of Friendly Societies and Credit Unions)

A number of questions were asked by members. Key discussions included:

- Legislation states that an enterprise cannot have more than 19 employees. If an enterprise has more than 19 employees, steps would need to be worked through.
- If the resolutions are approved, they can't come into effect until 1 January 2020.
- Both the replacement rules and application for incorporation need to be approved by 30 September 2019. If the membership rejects the resolutions, a review of the present Rules will need to be undertaken and changes approved by members.
- Concern was raised on how much of the loan portfolio at the moment is devoted to home and property mortgages. The meeting was advised approximately \$240M of the merged entity, approximately 60%, noting it is a declining portfolio.
- Concern was raised, if the incorporation proceeded, the credit union would no longer be required to have Trustees and queried if internal checks will still be in place? The meeting was advised that internal checks will still be in place. Internal Trustees are currently a subset of the Board who have

additional duties. These duties are being removed and transferred to the Board. There will still be an oversight regime in place. Trustees Executors, the Supervisor, monitors Credit Union Baywide and its various covenants and ratios are under the Trust Deed. John Dixon (Pricewaterhouse Coopers, CUB's external auditor), advised from their perspective they consider the controls around Trustee and oversight are currently strong and expects this to continue. From an auditing perspective, they don't expect to be doing additional work to be required.

- Details are being worked through regarding credit union security. This could range from business assets, personal guarantees and the like. It will depend on what the lending and the risk appetite are.
- Electronic voting – in comparison to previous voting, a good percentage of members had voted electronically.

4 **RESOLUTIONS**

The resolutions were presented to members. Members were invited to cast their vote if they hadn't already done so.

It was queried how the percentage of votes are calculated. Heidi Beech advised 75% of members who chose to vote would need to vote in favour of the matter for the resolution to be passed

Members were advised that while voting was being undertaken the meeting would be adjourned, during which Gavin Earle and Iain Taylor would provide business updates to members.

5 **MEETING ADJOURNED**

The meeting was formally adjourned at 6.42pm.

6 **MEETING RECONVENED**

The meeting reconvened at 7.20pm.

Resolutions

Members approved the adoption of the following resolutions:

- The replacement Rules (with the exception of the Enterprise Provision Rules) in the manner set out in the Notice of Meeting.

91% in favour, 9% against.
Resolution carried
- The inclusion of the Enterprise Provision Rules in the replacement Rules, in the manner set out in the Notice of Meeting.

90% in favour, 10% against.
Resolution carried.
- The application for incorporation by Credit Union Baywide.

92% in favour, 8% against,
Resolution carried

It was noted that there was approximately 1,100 votes, being 1.99% of those eligible to vote

5 **CLOSING**

There being no further business, the meeting closed at 7.25pm.

A closing karakia was performed by Te Taru White.

Signed: _____
(Chair)

Dated: _____