

## Notice of Special Meeting



### You are invited to the Special Meeting of Credit Union Baywide

Friday, 15 March 2019 - Commencing promptly at 6.00pm

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

Business of the evening will include:

- Transfers of Engagements to Credit Union Baywide
- Amendments to the Rules

Refreshments to follow.

Further details of the meeting can be found either on our website [nzcubaywide.co.nz](http://nzcubaywide.co.nz), by contacting your local branch or by calling 0800 229 943.

## Background

Credit Union South, Credit Union Central, Steelsands Credit Union, Aotearoa Credit Union (**Transferring Credit Unions**) and Credit Union Baywide have been in discussions regarding multiple transfers of engagements. The Transferring Credit Unions propose to transfer all of their engagements to Credit Union Baywide, and Credit Union Baywide proposes to accept the transfers pursuant to section 135(2) of the Friendly Societies and Credit Unions Act 1982 (the Act).

As part of the transfers of engagements:

- Credit Union Baywide proposes a temporary change to its governance structure, given the increased scale of the merged credit unions.
- Credit Union Baywide proposes to continue Credit Union South's Securitisation Programme.

The purpose of the meeting is to seek approval of the above matters and the necessary changes to the Rules to implement the above. Please ensure you read the following notified motions together with the documents attached to this Notice of Special Meeting.

## Resolutions

The business of the special meeting is to consider, and if thought fit to pass, the following resolutions:

1. That Credit Union Baywide is authorised to accept transfers of engagements from the Transferring Credit Unions and to this end:
  - a. the Board of Credit Union Baywide is authorised and directed to enter into all documentation necessary to effect the same; and
  - b. the Supervisor for Credit Union Baywide is authorised to take such steps as may be necessary to accept the transfer of each of the Transferring Credit Unions' engagements.
2. That, subject to approval of Resolution 1 above, Credit Union Baywide is authorised and directed to amend the Rules in the manner as further described in this notice of meeting, to enable Credit Union Baywide to implement a Securitisation Programme, to alter its governance structure and other consequential Rule amendments.

## Board Recommendation

The Board has considered the effects of the proposed transfers of engagements to Credit Union Baywide very carefully and recommends unanimously to members that they vote in favour of the resolutions.

## Information (Resolution 1): Transfers of Engagements

Important information including the financial position and other required information of Credit Union Baywide and each of the Transferring Credit Unions is provided below.

	Aotearoa Credit Union*	Credit Union Central	Credit Union South	Steelsands Credit Union	Credit Union Baywide
<b>Financial Position - audited (except for Aotearoa Credit Union)*</b>					
<b>Date</b>	<b>30/09/2018</b>	<b>30/09/2018</b>	<b>30/06/2018</b>		
Total Equity	\$1,116,355	\$5,428,041	\$20,729,000	\$3,569,574	\$40,893,000
Total Assets	\$19,143,359	\$39,238,010	\$130,632,000	\$32,217,735	\$380,998,000
Total Liability	\$18,027,004	\$33,809,969	\$109,903,000	\$28,648,161	\$340,105,000
Number of Members	10,063	6,581	19,423	3,650	28,089
<b>Financial Position - unaudited</b>					
<b>Date</b>	<b>31/12/2018</b>				
Total Equity	\$873,447	\$5,454,071	\$19,883,000	\$3,557,197	\$40,910,000
Total Assets	\$17,559,137	\$43,194,648	\$128,857,000	\$31,025,878	\$370,929,000
Total Liability	\$16,685,690	\$37,740,577	\$108,974,000	\$27,468,681	\$330,019,000
<b>Interests of Officers</b>					
	None of the officers of the Transferring Credit Unions have any interest in each transfers of engagements, other than retaining their existing membership and associated rights (if any), and in certain cases, holding board seats for specified periods (and receiving the associated Director fees) with the merged entity.				
<b>Compensation and Payments</b>					
Compensation or Consideration to Officers	No compensation or consideration is to be paid to the Officers of the Transferring Credit Unions or Credit Union Baywide.				
Payments to Members	No payments are to be made to any Members of the Transferring Credit Unions or Credit Union Baywide.				

\*Aotearoa Credit Union's year-end financial information has been taken from unaudited accounts. This is because Aotearoa Credit Union's financial statements for the year ended 30 September 2018 have not been audited, which is in breach of the requirement for its financial statements to be audited and signed within three months of balance date. Aotearoa Credit Union has also advised its supervisor of a breach in its minimum capital ratio. The financial years of Aotearoa Credit Union and Credit Union Central end after the other Transferring Credit Unions and Credit Union Baywide, and therefore their year end financial information is stated as at a later date than those other entities, i.e. it is stated as at 30 September 2018 rather than 30 June 2018.

Further information about each credit union (including their most recent Product Disclosure Statements and audited accounts) may be obtained online by accessing the Disclose register at <https://disclose-register.companiesoffice.govt.nz> (enter the credit union name using the 'search offers' function to review information about each credit union). In addition to the approvals contemplated by the resolutions set out in this Notice of Special Meeting:

- Pursuant to the requirements of the Credit Union Baywide's Trust Deed, a 'no objection' from the Supervisor will be required for Credit Union Baywide to accept the transfers of engagements.
- Each of the Transferring Credit Unions are required to approve the transfer of engagement by special resolution of not less than 75% of those members that are for the time being entitled to vote and who vote on the matter. Each special resolution passed must be filed with the Registrar, and a period of six weeks is allowed for objections. Each special resolution shall not take effect until the expiry of the period of six weeks, or other such period as prescribed by the Act.
- For the resolution pertaining to accepting the transfers of engagements, Credit Union Baywide is seeking 50% or more of those members that are for the time being entitled to vote and who vote on the matter, to vote in favour of the proposed transfers of engagement.
- The Board of Credit Union Baywide will need to approve the acceptance of the transfers of engagements with 75% or more directors voting in favour. This approval is to be considered soon after the member votes of the Transferring Credit Unions.

It should be noted that if any of the Transferring Credit Unions withdraw from the transfer of engagements for want of member approval or otherwise, the remaining Transferring Credit Unions (subject to member approval and subject to Credit Union Baywide's Board accepting the transfers of engagements from some or all Transferring Credit Unions) may still proceed to transfer their engagements to Credit Union Baywide as proposed in this Notice and the approval given at the meeting will be effective for this purpose. Therefore, it could be that Credit Union Baywide accepts a transfer of engagements from only some or all of the Transferring Credit Unions.

## Information (Resolution 2): Amendments to the Rules

Credit Union Baywide is proposing amendments to the Rules of the credit union to allow for the implementation of the following aspects under the proposed Transfers of Engagements:

1. the temporary governance arrangements, allowing initial representation from each of the Transferring Credit Unions;
2. the transfer of Credit Union South's Securitisation Programme to Credit Union Baywide; and
3. other associated Rule amendments.

Refer to the information provided with this Notice and also to [<https://nzcubaywide.co.nz/about-us/legal-ts-and-cs/Special-Meeting-March-2019>] for further information and a full copy of the proposed amendments to the Rules, including marked up changes.

For the proposed Rule amendments, Credit Union Baywide requires a special resolution and will be passed if voted in favour by 75% or more of voting members to vote in favour of the resolution.

## Quorum

The Rules of Credit Union Baywide require 15 members to be present to constitute a quorum. If no quorum is present, an adjournment may be taken to a date not less than seven, or more than seventeen days, thereafter. The members present at any date to which the meeting is so adjourned shall constitute a quorum regardless of the number present (and at least five days before the adjourned meeting, the secretary will cause notice to be given to each member).

## Voting

For the resolution pertaining to accepting the transfers of engagements, Credit Union Baywide is seeking 50% or more of those members that are for the time being entitled to vote and who vote on the matter, to vote in favour of the proposed transfers of engagement.

The resolution pertaining to the proposed Rule amendments is being put to members as a special resolution, and will be passed, if voted in favour by 75% or more of those members that are for the time being entitled to vote and who vote on the matter.

The Rules further provide:

- for joint accounts, the first named person on the account shall have the vote; and
- only valid members aged 16 or older at the closing date for voting (as set out below) may vote.

The Rules of Credit Union Baywide provide that each member may vote by being present in person at the Special Meeting or by proxy.

Where a member appoints a proxy, that proxy is entitled to attend and be heard at a meeting of members as if the proxy were the member. A proxy need not be a member. A proxy must be appointed by notice in writing, in the form enclosed with this Notice. The proxy form must be signed by the member. Proxy forms must be received no later than 48 hours prior to commencement of the meeting and should be hand delivered to a branch or sent by post, fax, courier or email, to:

Postal Address: PO Box 431, Hastings 4156  
Courier Address: 303 Karamu Road North, Hastings  
Fax: (06) 878 6049  
Email: [ceo@nzcubaywide.co.nz](mailto:ceo@nzcubaywide.co.nz)

If the written notice appointing a proxy is signed under a power of attorney, a copy of the power of attorney (unless already deposited with Credit Union Baywide) and a signed certificate of non-revocation of the power of attorney must accompany the notice. The Rules of Credit Union Baywide provide that no member shall be entitled to vote by postal vote.

## Where can I find more information?

Further details of the meeting can be found either on our website [nzcubaywide.co.nz](http://nzcubaywide.co.nz), by contacting your local branch or by calling 0800 229 943. This includes the following information which is deemed to be part of this Notice to Members:

- Proposal to Transfer Engagements to NZCU Baywide
- Frequently Asked Questions and Answers (FAQ)
- Supplementary Information - Rule Amendments
- Rule Amendments – detailed
- Proxy Form