

Credit Union Baywide

Proposed Amendments to Existing Rules - March 2019

RULE NUMBER	OLD RULE	NEW RULE	COMMENTS
Front cover	“trading as NZCU Baywide ”	“trading as NZCU Baywide, NZCU South, NZCU Central, NZCU Steelsands and Aotearoa Credit Union ”	Change of trading name to allow for transferring credit unions. *
	Having offices at: 303 Karamu Rd North, Hastings	Having offices at: 100 St Aubyn Street East, Hastings	The registered office for service is moving from 303 Karamu Road North, Hastings to 100 St Aubyn Street East, Hastings in late March 2019.
2	-	INTERPRETATION “Securitisation Entity” means a trust or other special purpose vehicle established for the purpose of acquiring loans and related rights as part of a securitisation programme;	Added new definition of “Securitisation Entity”. Refer proposed new Rule 94 as outlined below.
4	The registered office of the Credit Union shall be at 303N Karamu Road, Hastings or at such other place as the Credit Union may from time to time decide.	The registered office of the Credit Union shall be at 100 St Aubyn Street East, Hastings or at such other place as the Credit Union may from time to time decide.	The registered office for service is moving from 303 Karamu Road North, Hastings to 100 St Aubyn Street East, Hastings in late March 2019.
50	BOARD OF DIRECTORS Four (4) 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. Written notice of an adjourned meeting need not be given to the Directors.	BOARD OF DIRECTORS A quorum for the transaction of business at any meeting of the Board shall be a minimum of fifty-one percent of the Directors but fewer than a quorum may adjourn from time to time until a quorum is in attendance. Written notice of an adjourned meeting need not be given to the Directors.	In recognition of the proposed transfers and engagements and the associated proposed revised governance arrangements pertaining to the transitional period post the transfers, it is recommended that the quorum for a Board meeting is increased to be at least fifty-one percent (more than half) of the appointed Directors. Refer Rule 110 below.

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**If all of the proposed Transfers of Engagements do not proceed, this clause will be updated to reflect the outcome of the approved resolutions.*

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56(h)	<p>DUTIES OF THE BOARD OF DIRECTORS</p> <p>Borrow money within the terms and limits set out in the Trust Deed.</p>	<p>DUTIES OF THE BOARD OF DIRECTORS</p> <p>Borrow money within the terms and limits set out in the Trust Deed, including by way of the securitisation of loans in accordance with Rule 94.</p>	Director duties updated to clarify duties pertaining to the securitisation programme as per the new Rule 94 outlined below.
56(j)	<p>DUTIES OF THE BOARD OF DIRECTORS</p> <p>Ensure compliance with the Rules and Trust Deed in relation to investments by the Trustees.</p>	<p>DUTIES OF THE BOARD OF DIRECTORS</p> <p>Ensure compliance with the Rules and Trust Deed in relation to investments by the Trustees and, for the avoidance of doubt, the funds of the Credit Union may be invested by way of subordinated loans to a Securitisation Entity in accordance with Rule 94.</p>	
72(f)	<p>TRUSTEES</p> <p>Borrow money within the terms and limits set out in the Trust Deed.</p>	<p>TRUSTEES</p> <p>Borrow money within the terms and limits set out in the Trust Deed, including by way of securitisation of loans in accordance with Rule 94.</p>	Trustee duties updated to clarify duties pertaining to the securitisation programme as per the new Rule 94 outlined below.
72(h)	<p>TRUSTEES</p> <p>Invest the funds of the Credit Union in accordance with these Rules, the Trust Deed and the provisions of Sections 49 of the Act.</p>	<p>TRUSTEES</p> <p>Invest the funds of the Credit Union in accordance with these Rules, the Trust Deed and the provisions of Sections 49 of the Act. This may include the funds being invested by way of subordinated loans to a Securitisation Entity in accordance with Rule 94.</p>	
93	<p>LOANS</p> <p>The Credit Union shall only make loans to its members ...</p>	<p>LOANS</p> <p>The Credit Union may make loans to its members ...</p>	Loan clause updated to clarify the ability to make loans in accordance with the securitisation programme as per the new Rule 94 outlined below.

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94	-	<p>SECURITISATION</p> <p>The Board may, from time to time, subject to first obtaining any consent required from the Supervisor, for the purpose of promoting the Credit Union's objects and, in particular, to enable the Credit Union to make loans to members for provident or productive purposes, authorise the entry by the Credit Union and the Trustees into securitisation arrangements in relation to loans made by the Credit Union and, without limiting this general authority, the Board may authorise the Credit Union and the Trustees to:</p> <ul style="list-style-type: none"> a) enter into agreements and deeds to establish one or more Securitisation Entities; b) dispose of loans to, and acquire loans from, a Securitisation Entity; c) lend to a Securitisation Entity (including on a secured, unsecured or subordinated basis); d) enter into servicing and trust management arrangements in connection with a Securitisation Entity; and e) enter into any other agreements, and do any other thing, which is necessary or incidental to the establishment of a Securitisation Entity and its ongoing funding and operation. 	<p>New Rule inserted to outline the ability to enter into a securitisation programme with a securitisation entity.</p>

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110 (previously 109)	<p>TRANSFER OF ENGAGEMENTS</p> <p>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 of 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 three) Directors and one or more (but not exceeding two) Associate Directors who shall then hold office as additional Directors and Associate Directors of the Credit Union for an agreed period which shall not in any case exceed three years.</p>	<p>TRANSFER OF ENGAGEMENTS</p> <p>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 of 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 four) Directors and one or more (but not exceeding two) Associate Directors who shall then hold office as additional Directors and Associate Directors of the Credit Union for an agreed period which shall not in any case exceed three years.</p>	<p>Given the geographical, demographic and product diversity of the transferring credit unions, it is recommended that the Credit Union can accept up to four Directors from a transferring credit union.</p>
Various	Page numbers and Rule reference numbers have been updated to reflect the other proposed Rule amendments.		

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