Te Uniana Whakanama Pirihimana

RULES OF POLICE AND FAMILIES CREDIT UNION INCORPORATED – OCTOBER 2026

Name of Credit Union: **POLICE AND FAMILIES CREDIT UNION INCORPORATED**

Registered Number: **610 1802854**

Rule 1: The registered office of the Credit Union shall be at Level 11, 57 Willis Street, Wellington or such other location notified to the Registrar as required by the Friendly Societies and Credit Union Act 1982 or any legislative enactment in amendment or substitution thereof.

Rule 2: The name of this Credit Union is the **POLICE and FAMILIES CREDIT UNION INCORPORATED. The Police and Families Credit Union Incorporated trades under the name "Police Credit Union".**

Rule 3: INTERPRETATION

In these Rules, unless the context otherwise requires:

3.1 **Act** means the Friendly Societies and Credit Unions Act 1982, together with any amendment thereto and any legislation passed in substitution thereof.

3.2 **Board** means the Board of Directors of the Credit Union which is the Committee of Management as defined under the Act.

3.3 **Chair** shall mean the Chair of the Board of the Credit Union.

3.4 **Credit Union** shall mean the Police and Families Credit Union Incorporated.

3.5 **Director** means both elected and non-elected officers pursuant to Rules 9 and 10.

3.6 **General Meeting** shall mean the Annual General Meeting or any Special General Meeting called in terms of these rules of the Credit Union.

3.7 **Chief Executive Officer** means the person appointed to that position by the Board and who is responsible for the day to day management and oversight of the Credit Union's business.

3.8 **Police Service Organisations** means the New Zealand Police Association and the New Zealand Police Leaders' Guild.

3.9 **Supervisor** means the Supervisor appointed by the Board pursuant to the Trust Deed.

3.10 **Registrar** shall mean the Registrar of Friendly Societies and Credit Unions.

3.11 **Secretary** shall mean the Chief Executive Officer of the Credit Union.

3.12 **Treasurer** shall mean the person appointed as the Chief Financial Officer of the Credit Union.

3.13 **Trust Deed** means the trust deed entered into between the Directors, on the recommendation of the Board and the Supervisor pursuant to the relevant provisions of the Financial Markets Conduct Act 2013 and Financial Markets Conduct Regulations 2014 both as amended from time to time.

3.14 **Vice Chair** shall mean the Vice Chair of the Board.

Rule 4: OBJECTS OF THE CREDIT UNION

The objects for which the Credit Union is established are:

4.1 The Credit Union is to operate, on the basis of the Act, for the mutual benefit and assistance of its members.

4.2 The Promotion of thrift among its members by the accumulation of their savings.

4.3 The use and control of the members' savings for their mutual benefit:

i. For making loans to members; and
ii. If authorised by the Credit Union's Rules for making loans under section 110(1)(b) of the Act; and
iii. If authorised by, and in accordance with, the Credit Union's Rules, the provision of products or services under section 110(2) of the Act.

4.4 To train and educate members in the wise use of money and the management of their financial affairs.

4.5 At the discretion of the Board and as a minor adjunct to the other objects set out above, to provide for the welfare of its members and the making of donations for charitable, cultural, benevolent, or philanthropic purposes.

4.6 To conduct outside the Credit Union, Debt Protection and/or Savings Insurance for the benefit of members of the Credit Union.

4.7 To make loans to members (with or without security) as follows:

a) To members;
b) To enterprises (as permitted by the Act) in cases where –

i. the enterprise (when the loan is made) –
   A. is related to a member; and
   B. has no more than 19 full-time equivalent employees; and
ii. the loan is to be used for the purposes of a business being, or to be, carried out by the enterprise.

4.8 To carry out all such lawful activities as in the opinion of the Board are incidental or conducive to the attainment of the objects of the Credit Union or any of them.

Rule 5 EFFECT OF RULES

5.1 These Rules are binding in accordance with their terms, as between

a) The Credit Union and each member; and
b) Each member.

Rule 6: CAPACITY AND POWERS OF THE CREDIT UNION

The Credit Union has the capacity and powers as set out in the Act.

Rule 7: MEMBERSHIP

7.1 Membership of the Credit Union shall be open to:

7.1.1 Persons being employees or former employees or volunteers of the New Zealand Police, or the Credit Union, or the Police Service Organisations, and/or their families (being family members as defined in Rule 7.2.3), including any such person aged 16 years or younger.

7.1.2 Persons being current or former employees or volunteers of any New Zealand emergency services organisation as defined in Rule 7.2.5, and/or their families (being family members as defined in Rule 7.2.3) and includes any such person aged 16 years or younger.

7.1.3 Persons being current or former personnel or civil staff of the New Zealand Defence Force as defined in Rule 7.2.6, and/or their families (being family members as defined in Rule 7.2.3) and includes any such person aged 16 years or younger.

7.2 Classes of Membership:

7.2.1 Serving members shall be persons who are employees or volunteers of the New Zealand Police or the Police Service Organisations, or the Credit Union, or employed by, volunteering, or serving in the organisations in Rule 7.2.5 and Rule 7.2.6

7.2.2 Retired members shall be persons who have ceased employment or service (including voluntary), from the New Zealand Police or the Police Service Organisations or the Credit Union, or the organisations in Rule 7.2.5 and Rule 7.2.6, or who have met the retirement criteria pursuant to the Policing Act 2008 and any legislation passed in substitution thereof.

7.2.3 Family members: For the purposes of these Rules family members means:

a. any current or former spouse, civil union partner or de facto partner of any living or deceased member of the Credit Union;
b. any parent, grandparent, or great grandparent of any living or deceased member of the Credit Union;
c. any biological, adopted, or step, child, grandchild, great-grandchild or whāngai of any living or deceased member of the Credit Union;
d. any brother, sister, uncle, aunt, nephew, niece, or first cousin of any living or deceased member of the Credit Union; and
e. any current or former spouse, civil union partner, or de facto partner of any persons referred to in paragraphs 7.2.3 (b), (c) or (d).

7.2.4 Students, approved by the Credit Union, who are enrolled, or about to be enrolled, in courses at recognised tertiary educational institutions in New Zealand as a pre-condition to becoming employees of the New Zealand Police, or becoming employees or serving in the organisations in Rule 7.2.5 and Rule 7.2.6.

7.2.5 Emergency services: Persons who are current or former employees or volunteers of organisations providing emergency response services as recognised by the Directors which, at the date of these Rules, includes:

1. Fire and Emergency New Zealand (Fire and Emergency New Zealand Act 2017);
2. St John Group (Charities Services Registration number CC35255);
3. Wellington Free Ambulance Group (Charities Services Registration number CC31369).

7.2.6 NZ Defence Force: an officer, a rating, a soldier, an airman; or a member of the Civil Staff, as those terms are defined in the Defence Act 1990.

7.3 Application for admission must be in writing on the form prescribed by the Board.

7.4 A person shall not become a member until the subscription for one $1.00 share has been paid in full.

7.4.1 A member who withdraws all his/her shareholding thereby ceases to be a member of the Credit Union.

7.4.2 No person shall be entitled to remain a member of the Credit Union who does not fulfil the qualification of membership.

7.4.3 A member may be expelled from membership of the Credit Union, or an applicant declined membership of the Credit Union, if in the Board's opinion that member or applicant is guilty of conduct which is prejudicial to the interests of the Credit Union.

Prejudicial to the interests of the Credit Union includes (but not limited to):

a) Being dismissed from employment by NZ Police
b) Being dismissed from the employment or service of the organisations in Rule 7.2.5 and Rule 7.2.6
b) Conviction for a crime which results in dismissal or resignation from NZ Police, or the organisations in Rule 7.2.5 and Rule 7.2.6
c) Any financial fraud committed using a Credit Union product
d) Conviction for any other offence which may impact negatively on the Credit Union's reputation
e) Any actions that may impact negatively on the Credit Union's reputation

7.5 Voting

7.5.1 All members eligible to vote shall have only one vote in any meeting, or for the election of any candidate as a Director with the exception of the Chair of the meeting who shall be entitled to a deliberative vote, but in the event of an impasse, they shall exercise a casting vote.

Every Member who has attained the age of sixteen (16) by the closing date for voting shall be entitled to vote and shall have one vote only.

7.5.2 Members may vote at any General Meeting either personally or by proxy.

7.5.3 No person shall be appointed a proxy who is not a member of the Credit Union.

7.5.4 A proxy may be appointed only for a specific period or a specified meeting and adjournments thereof.

7.5.5 All instruments appointing proxies shall be in writing and signed by the voting member, indicating the way the member wishes to vote on a notice of motion as placed on the meeting order paper or for a candidate known to be a standing for a particular position.

7.5.5.1 The instrument appointing as proxy shall be received at the postal address of the Chief Executive Officer no less than 48 hours prior to the commencement of the meeting at which the person named in the instrument proposes to vote.

7.6 Withdrawal of members

7.6.1 A member may withdraw from the Credit Union at any time, but 60 days' notice of withdrawal may be required. All amounts paid in on shares of any kind together with any interest credited thereto to the date thereof shall be paid to such withdrawing members as their funds become available and only after deducting therefrom any amounts due from such member to the Credit Union.

Rule 8: MEETINGS OF MEMBERS

8.1 The Annual General Meeting of the members shall be held each year at a time and place to be decided by the Board.

8.2 Special General Meetings of the Credit Union:

8.2.1 May be called by the Chair of the Board at any time; or

8.2.2 May be called by the Chief Executive Officer if requisitioned on the written request of 200 members of the Credit Union; or

8.2.3 Must be called by the Credit Union if it is required to do so pursuant to the Trust Deed and any meeting called by the Credit Union under this Rule 8.2.3 shall be convened and held in accordance with the relevant provisions of the Trust Deed.

8.3 Notice of Meeting

8.3.1 Subject to Rule 8.3.2, at least 10 days before the date of any annual or special meeting of the members, the Chief Executive Officer shall cause notice thereof to be given to each member, either by being mailed to each member at his or her address as the same appears on the records of the Credit Union or by being published in any journal, magazine, newsletter, newspaper or publication circulated to members of the Police or published to any Credit Union website or otherwise transmitted by electronic means to members.

8.3.2 Each meeting that is called by the Credit Union pursuant to Rule 8.2.2 shall be called and convened in accordance with the relevant provisions of the Trust Deed or the Act.

8.4 The Chair of a meeting convened under Rule 8.2.1 shall be the Chair of the Board of the Credit Union for the time being or, in their absence, the Vice Chair. Should neither of the above be present at such a meeting then the Chair shall be elected by a simple majority of those present.

The Chair of a meeting convened by the Supervisor under Rule 8.2.3 shall be a person nominated by the Supervisor or such other person as may be appointed in that behalf by the Members present at the meeting.

The Supervisor, through its duly authorised representatives may attend any meeting of Members (whether convened under Rule 8.1 or Rule 8.2.1, .2 or Rule 8.2.2) and shall have the right to speak and be heard at any such meeting, whether in relation to a matter arising during the course of business of the meeting or any other matter that the Supervisor wishes to raise at the meeting.

8.5 The order of business at the Annual General Meeting shall be:

a) Ascertainment that a quorum is present

b) Presentation for approval or correction of the minutes of the last meeting

c) Report of Directors

d) Report of the Chief Executive Officer

e) Financial Report

f) Auditor's Report

g) Any other Reports

h) Any amendment to Rules

i) Elections of Directors

j) New Business.

8.6 Suspension of order of business

The members assembled at any annual meeting may suspend the above order of business upon a two-thirds vote of the members present at the meeting. Unless otherwise specified in these Rules, fifteen members shall constitute a quorum at annual or special general meetings. If no quorum is present an adjournment may be taken to a date not fewer than fourteen or more than twenty-eight days thereafter and the members present at any such adjournment shall constitute a quorum regardless of the number of members present.

The same notice for the adjourned meeting shall be as for the original meeting, and such notice shall be given not fewer than ten days prior to the date of the adjourned meeting.

Rule 9: ELECTIONS

9.1 Subject to clause 9.2, the term of office for an elected Director shall be three years. Directors shall serve until close of business of the Annual General Meeting at which they are due to retire by rotation in accordance with Rule 9.3.

9.2 If any elected Director vacates their office during their three year term (**Original Director**), the Board may:

a) Appoint a new director for the remainder of the Original Director's three-year term; or

b) Hold an election for a new director for the remainder of the Original Director's three-year term; or

c) Not fill the vacancy until the Original Director's three year term is concluded.

9.3 At each Annual General Meeting of the Credit Union, Directors shall retire by the rotation of:

d) Directors having served a three year term since last elected; and

b) Directors appointed pursuant to Rule 9.2(a) or (b), having served the remainder of the Original Director's three year term.

Transitional Arrangements

9.3.1 The term of office of Directors elected in 2024 will expire in 2027 at which time four directorships will be vacant. To ensure an orderly rotation of directors:

a) At the 2027 Annual General Meeting the highest and second highest polling (votes) directors will be appointed for the full three year term retiring in 2030;

b) The third highest polling director (votes) will be appointed for a two year term retiring in 2029;

c) The fourth highest polling director (votes) will be appointed for a one year term retiring in 2028; and

d) If no election is required then each eligible director will be appointed for the length of term described in Rules 9.3.1 a), b) and c) by way of drawing lots.

This Rule 9.3.1 will expire on 1 January 2028.

9.3.2 Should any director elected at the 2024 Annual General Meeting vacate their office prior to the 2027 Annual General Meeting then that vacancy will be filled by an election in 2025 or 2026. The replacement director appointed in 2025 or 2026 shall be appointed for a full three year term and Rules 9.3.1 c) and d) will not apply. This Rule 9.3.2 will expire one working day following the date of the 2027 Annual General Meeting.

9.4 Election of Directors

The Credit Union may permit voting in the following ways;
i. by post and/or
ii. by electronic means

The following procedure shall be followed for the conduct of a ballot to fill the vacated offices. The voting paper may be actual or electronic.

a) The Board shall, at least ninety days prior to the Annual General meeting, appoint a Returning Officer and two scrutineers. If the Returning Officer requires assistance in the carrying out of any aspect of the duties set out herein or is unable by reason of illness or other sufficient cause to attend to such duties, the Returning Officer may appoint one or more Deputy Returning Officers (who shall not be Directors of the Credit Union) to carry out these duties. Should electronic voting be allowed the Returning Officer may appoint a Deputy Returning Officer to manage the electronic voting process.

b) For every election the Returning Officer shall prepare a roll of electors, which shall consist of the names alphabetically arranged of persons duly registered as members eligible to vote and the members Credit Union account number. Such roll to be prepared and closed off as at the date

of closure of nominations.

c) At least sixty days prior to the Annual General Meeting the Returning Officer shall call for nominations for positions that become vacant due to retirement by rotation or withdrawal for any other reason of Directors.

d) The notice calling for nominations for candidates for positions of Director shall specify a day not less than fourteen or more than twenty eight days after the publication of the notice as the last day for the receipt of nominations of candidates at the address of the office of the Returning Officer where all nominations must be received.

e) In order that a person may become a candidate for election to the position of Director that person must complete a nomination form prescribed by the Board including any necessary requirements to comply with New Zealand law and shall be nominated by not fewer than two persons entitled to vote. Those persons who shall sign the nomination paper and, after having obtained the consent in writing of the person so nominated, shall forward or lodge the nomination to the Returning Officer at the address of their office so as to be in the Returning Officer's hands before four o'clock on the afternoon of the last day for receipt of nomination of candidates. The person nominated to be a candidate must be deemed eligible and fit and proper as outlined in Rule 10.3.1.

f) If the number of persons who are duly nominated does not exceed the number of Directors to be so elected, the Returning Officer shall declare such persons duly elected as Directors at the next Annual General Meeting.

g) If at the closure of the nomination of candidates the number of candidates for Directors exceeds the number of Directors to be elected, the Returning Officer shall appoint a day (being a day not less than five days before the date of the Annual General Meeting) on which the poll shall close and the result of the election of Directors shall be ascertained.

h) Every poll shall close at four o'clock in the afternoon of the day so appointed.

i) If a poll is required to be taken, the Returning Officer shall ensure that voting papers are distributed to every member who is 16 years or older at the date that the poll closes either by post or by electronic means.

j) Candidates may submit background notes to the Returning Officer and on receipt of such notes the Returning Officer shall distribute such notes with all voting papers.

k) Voting papers shall contain:

   i. Instructions on how many Director positions are to be elected in each poll

ii. The names in full alphabetical order of all candidates for election as Directors

iii. Instructions on how to clearly signify the candidate or candidates for whom the member wishes to vote

iv. The member's name and Credit Union account number

v. Address of Returning Officer to whom voting papers are to be returned by post or with instructions for electronic voting

vi. Closure date of the poll.

l) The Returning Officer shall be responsible for security and safekeeping of all voting papers whether received by post or electronically until they have been opened examined and counted.

m) Postal Voting

The Returning Officer shall, at four o'clock in the afternoon of the day appointed for closing the poll or as soon as practicable thereafter and at their office, in the presence of the appointed scrutineers, proceed to open, mark off voting papers received against the roll of electors, examine the voting papers and count the number of votes received by each candidate.

On completion of counting and the verification of the count of the votes received by each candidate by the scrutineers, the Returning Officer shall make out and sign a written statement, countersigned by the scrutineers, containing the numbers of the votes cast for each candidate and shall at the same time within the written statement declare the names of the candidates elected.

Such written statement shall be sealed in an envelope and delivered to the Chair.

Electronic Voting

The Returning Officer or Deputy Returning Officer shall, at four o'clock in the afternoon of the day appointed for closing the poll or as soon as practicable thereafter and at their office, in the presence of any appointed scrutineers proceed to process the electronically received votes against the roll of electors and count the number of votes received by each candidate.

On completion of counting and the verification of the count of the votes received by each candidate, the Returning Officer or Deputy Returning Officer shall make out and sign a written statement, countersigned by the scrutineers, containing the numbers of the votes cast for each candidate and shall at the same time within the written statement declare the names of the candidates elected.

Such written statement shall be sealed in an envelope and delivered to the Chair.

Postal and Electronic Voting

The Returning Officer may choose to offer both postal and electronic voting for an election of Directors. The results of each voting method will be scrutinised to eliminate any duplicate votes cast by a single member by using both postal and electronic means.

On completion of counting and the verification of the count of the votes received by each candidate, the Returning Officer shall make out and sign a written statement, countersigned by the scrutineers, containing the numbers of the votes cast for each candidate and shall at the same time within the written statement declare the names of the candidates elected.
Such written statement shall be sealed in an envelope and delivered to the Chair.

n) The counting of votes shall be by the first past the post method as follows:

Each candidate shall receive one vote as indicated on each voting paper, the candidates elected shall be those candidates who receive the highest number of votes in accordance with the number of vacancies to be filled.

o) At the examination of the voting papers every voting paper shall be rejected which:

i. Does not clearly indicate the voting member's name and Credit Union account number

ii. Contains indications of the voting member having identified or voted for more candidates than positions to be filled

iii. Is manifestly irregular; or

iv. Is so imperfectly executed that the intention of the voter cannot with certainty be ascertained.

p) The names of the persons elected shall be declared by the Chair at the Annual General Meeting and in such other place as the Board may determine.

Rule 10: BOARD OF DIRECTORS

10.1 The Board of Directors shall consist of:

a) Elected and Non-Elected Directors

i. Up to seven Directors in total, of which up to three may be non-elected Directors, appointed by the Board on terms and conditions determined by the Board, with skills that add value to the Board

and the Credit Union as a whole. Elected and non-elected Directors are subject to meeting suitability requirements under New Zealand law and being deemed fit and proper to serve as a Director of the Credit Union in accordance with its Fit and Proper Policy at the sole discretion of the Board.

b) Board Observers

i. The President of the New Zealand Police Association (Inc.) or the nominee of the Board of Directors of the New Zealand Police Association (Inc.), which nominee must be a member of the New Zealand Police Association (Inc.).

ii. The President of the New Zealand Police Leaders' Guild or the nominee of the National Executive of the New Zealand Police Leaders' Guild which nominee must be a member of the New Zealand Police Leaders' Guild.

iii. Subject to the approval of the Board, the nominee of each organisation referred to in Rule 7.2.5 and Rule 7.2.6, which nominee must be a member of the organisation they represent, and a member of the Credit Union.

Every Board Observer shall be entitled to have notice of all meetings of the Board, shall have speaking rights at those meetings and shall be included in all parts of a formal meeting of the Board, apart from informal director only time, provided that a Board Observer shall not have voting rights or be counted in the quorum of a meeting of the Board.

c) Any replacement Directors appointed pursuant to Rule 9.2.

d) Any associate Directors appointed pursuant to Rule 10.11.

10.2 The term of office:

i. for an elected Director is set out in Rule 9.1.

ii. for a non-elected Director shall be three years.

10.2.1 Directors (whether elected or non-elected) may serve on the Board for a maximum of nine years, but ignoring terms served prior to incorporation.

10.3 Each elected Director of the Board retiring by rotation shall be eligible for re-election unless otherwise ineligible under these Rules.

10.3.1 Any member as defined in Rule 7.1.1, with the exception of any employee of the Credit Union, shall be eligible for nomination to an elected position as Director. To qualify for participation in an election, the nominated member must meet suitability requirements under New Zealand law and be deemed fit and proper to serve as a Director of the Credit Union in accordance with its Fit and Proper Policy at the sole discretion of the Board.

10.4 The Board shall meet not less than six times each year, the date and time of which shall be selected by the members of the Board.

10.5 The Chief Executive Officer shall call a special meeting of the Board upon the written request of any three members of the Board. The Chief Executive Officer shall fix a time and place of special meetings unless the Board by resolution prescribes otherwise.

10.6 Notice of all meetings of the Board shall be given in such manner as the Board shall from time to time by resolution prescribe.

10.7 At least four Directors shall constitute a quorum for the transaction of business at any meeting thereof 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.

10.8 If a Director fails to attend regular meetings of the Board for three consecutive meetings, is deemed to have failed the expectations of being fit and proper as outlined in the Fit and Proper Policy (including being found to be in serious breach of the Director's Code of Conduct), or otherwise fails to perform any of the duties delivered upon them as Director, their office may be declared vacant by the Board and the vacancy filled as herein provided.

10.9 Appointment of Chair and Vice Chair:

a) At the first meeting of the Board following elections, the Board, on a majority vote, shall appoint a Chair and Vice Chair.

b) No person shall be eligible to stand for the positions of Chair or Vice Chair unless they have served one term as an elected Director. In the event of no member having served sufficient time to fulfil this criteria, the Board themselves, on a majority vote, shall appoint, a Chair or Vice Chair as required from within the elected Directors to serve until one or more of the elected Directors fulfils the qualifying criteria.

10.10 A non-elected Director of the Board shall be ineligible to stand for the positions of Chair or Vice Chair. A non-elected Director may not also simultaneously hold the position of an elected Director.

10.11 The Board may appoint associate directors, who meet suitability requirements under New Zealand law or advisory committees on such terms and conditions as the Board may decide in its sole discretion. Every associate director shall be entitled to have notice of all meetings of the Board and shall have speaking rights at those meetings provided that an associate director shall not have voting rights or be counted in the quorum of a meeting of the Board.

Rule 11: DISQUALIFICATION OF DIRECTORS

All such positions as Directors or Board Observers shall be vacated if the Director or Board Observer:

11.1 Ceases to be a member of the Credit Union, in the case of an elected Director; or

11.2 Becomes bankrupt or makes any arrangement or composition with their creditors generally; or

11.3 Becomes mentally disordered under the Mental Health (Compulsory Assessment and Treatment) Act 1992 or becomes a person subject to a property order or personal order under the Protection of Personal and Property Rights Act 1988; or

11.4 No longer meets the suitability criteria under New Zealand law; or

11.5 Is deemed to no longer meet the criteria of being fit and proper as defined in the Fit and Proper Policy after following due process outlined in the same Policy; or

11.6 Is deemed to be in serious breach of the Director's Code of Conduct after following due process outlined in the Fit and Proper Policy; or

11.7 Resigns their office by writing to the Credit Union.

Rule 11A: OFFICERS APPOINTED BY SUPERVISOR

The provisions of this Rule 11A shall apply and have full force and effect notwithstanding anything to the contrary in these Rules.

1. (a) The Supervisor shall be entitled, by notice in writing to the Credit Union, to remove and appoint Directors in the circumstances specified in the Trust Deed. Any such appointment or removal shall be effected by written notice from the Supervisor to the Credit Union.

   (b) The Supervisor shall also be entitled to appoint a person to attend meetings of the Board as an observer in the circumstances set out in the Trust Deed and any such appointee shall be entitled to receive the same information as the Directors and shall be entitled to speak and be heard at meetings of the Board.

2. A Director appointed by the Supervisor under Rule 11A.1(a) shall vacate their office:

   (a) if they become bankrupt or makes any arrangement or composition with their creditors generally; or

   (b) if they become mentally disordered under the Mental Health (Compulsory Assessment and Treatment) Act 1992 or becomes a person subject to a property order or personal order under the Protection of Personal and Property Rights Act 1988; or

   (c) if they resign their office by notice in writing to the Credit Union; or

   (d) if they are removed from office by written notice from the Supervisor to the Credit Union; or

(e) at the conclusion of a meeting called under Rule 11A.5 or Rule 11A.7.

3. Directors appointed by the Supervisor under Rule 11A.1(a) shall not be subject to retirement under Rule 9.

4. If, pursuant to the Trust Deed the Supervisor no longer has the right to appoint Directors, the Supervisor shall, within one month of such situation occurring, given written notice of that fact to the Members (Notice Date). With effect from the Notice Date the non-elected officers referred to in Rule 10.1(a) shall be deemed to be appointed to the Board.

5. If the next Annual General Meeting cannot be held within 100 days of the Notice Date, the Credit Union shall call a Special General Meeting (SGM) within such 100 day period. All of the Directors appointed by the Supervisor under Rule 11A.1(a) and who are still in office shall retire with effect from the conclusion of that SGM.

6. If the next Annual General Meeting can be held within 100 days of the Notice Date, it shall be held as soon as practicable after the Notice Date but late enough to ensure that the Directors can be elected in accordance with Rules 8,9 and 10. At such Annual General Meeting all of the Directors appointed by the Supervisor under Rule 11A.1, and who are still in office, shall retire with effect from the conclusion of the meeting.

Rule 11B: STATUS OF SUPERVISOR AND THE ABILITY TO GIVE DIRECTIONS

1. Any directions given by the Supervisor to the Board under the powers conferred on the Supervisor in the Trust Deed shall be given effect to by each Director and be binding on all members.

2. The Credit Union is authorised to appoint from time to time by deed, in a form to be approved by the board of the Supervisor, 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 of the Supervisor, thinks fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in them.

Rule 12: CHIEF EXECUTIVE OFFICER

The duties of a Chief Executive Officer shall include:

12.1 To act as Secretary of the Credit Union.

12.2 To ensure that an accurate recording of minutes of meetings is maintained.

12.3 Give notice of all meetings, and

12.4 Supply to any Member on demand a copy of the current registered Rules of the Credit Union

12.5 Serve as Chief Executive Officer of the Credit Union.

12.6 The Chief Executive Officer shall not be nor become a borrower from the Credit Union.

12.7 The Chief Executive Officer shall not be nor become a guarantor for a loan from the Credit Union.

Rule 12A: TREASURER

The duties of the Treasurer shall include:

12A.1 To act as Treasurer of the Credit Union.

12A.2 To monitor and regularly report on the financial position and performance of the Credit Union to the Board.

12A.3 The Treasurer shall not be nor become a borrower from the Credit Union.

12A.4 The Treasurer shall not be nor become a guarantor for a loan from the Credit Union.

Rule 13: MAKING, ALTERING OR RESCINDING RULES

13.1 These rules may be amended by the members at a General Meeting or a Special General Meeting of the Credit Union by a resolution of a majority of its members entitled to vote and voting on the matter. Notice of proposed changes shall be given in accordance with Rule 8.3.

13.2 Amendments to rules approved at any General Meeting or Special General Meeting are not valid nor applicable until the amendment is registered.

Rule 14: FINANCIAL YEAR

The financial year of the Credit Union shall end on 30 June each year.

Rule 15: MANAGEMENT OF FUND

15.1 The Board shall be responsible for the governance of the Credit Union with all necessary powers required to carry out that role and to achieve the objects of the Credit Union.

15.2 The Board may delegate to the Chief Executive Officer or other officers employed, such of the duties of administration of the Credit Union as the Board shall decide.

15.3 The appointment or termination of appointment of an executive employee of the Credit Union may be carried out by the Board.

15.4 The Board may, within the provisions of the Act, establish bylaws under which special classes or types of share accounts may be established.

15.5 The Board and officers employed are bound by the provisions of the Act.

Rule 15A: FEES AND CHARGES FOR PRODUCTS AND SERVICES

Members shall pay for products and services provided by the Credit Union:

(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 such time as they are published by notice 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 associated with the registration of securities or in respect of credit references obtained with the consent of a member, the Credit Union may pass on or recover those costs from the member.

Rule 16: SHARE CAPITAL

16.1 The fund shall be divided into as many shares of $1.00 each, as shall from time to time have been contributed by the members. Members may contribute any sum or sums from time to time authorised by the Act.

The Supervisor shall have a lien on the shares of a member for any sums due to the Credit Union by such member or for any loan guaranteed by such member.

16.2 Payment for shares, withdrawals, loan repayments and interest shall be evidenced by entries in any accounting method as may be decided by the Board.

16.3 Shares shall not be transferable.

16.4 Shares may be held jointly. The first named shareholder on the application for membership shall be deemed to be the person to whom the share was allotted and to whom the provisions of the Act will apply.

Rule 16A: SUPERVISION

1. In order to comply with the Financial Markets Conduct Act 2013 and the Financial Markets Conduct Regulations 2014 the Board, has entered into a trust deed with the Supervisor in a form approved by the Board pursuant to which, amongst other things:

   (a) the Supervisor covenants to monitor the affairs of the Credit Union for the benefit of members in accordance with the provisions of the Trust Deed;

   (b) the Board and the Credit Union enter into obligations in favour of the Supervisor relating to the affairs of the Credit Union, including the provision of information on a regular basis, and which may also contain

provisions that provide the Supervisor with an assignment by way of security over the assets of the Credit Union, together with such powers and authorities as the Supervisor might reasonably expect in relation to the enforcement of such security.

Rule 17: WITHDRAWAL OF SHARES

Any contributor may withdraw from the fund at any time, but 60 days' notice of withdrawal may be required.

Rule 18: INVESTMENT OF SURPLUS FUNDS

18.1 In this rule "Surplus Funds" in relation to a Credit Union means funds not immediately required for its purpose.

18.2 The Credit Union may invest its surplus funds in any manner authorised by the Board and in accordance with the Credit Union's Board policies and Trust Deed.

Rule 19: LOANS TO MEMBERS

19.1 No loans shall be made except on written or other documented agreement executed by the member desiring the loan, showing the name of the applicant, and amount of the loan and the terms and conditions of the loan.

19.2 All loans shall be managed and administered under the general supervision of the Chief Executive Officer and the Treasurer.

19.3 Loans shall be made to members only or in accordance with policies approved by the Board in accordance with these Rules.

19.4 The maximum indebtedness of a member in respect of an unsecured loan (whether wholly secured or, in the case of a loan which is partly secured and partly unsecured, that part which is unsecured) shall at the time the loan is made be an amount not exceeding the limit set by resolution of the Board. The limit set by resolution may not at any time exceed any limitations as set out in the Act.

a) The Credit Union may lend to members on the following securities:

i. Personal Property security
ii. Mortgage of an estate in land
iii. The Surrender Value of policies of life insurance
iv. Credit Union shares
v. Mortgage, charge, pledge or deposit of any personal property not hereinbefore specifically mentioned whether tangible or intangible, including debts of every description, shares or legacies under the estates or will of deceased persons, shares in companies, mortgages or charges whether legal or equitable.
vi. On guarantee of someone other than the borrower.
vii. Assignment of the members Police Superannuation Scheme account or Government Superannuation Fund account, or Defence Force Superannuation Scheme account, or New Zealand Fire Service Superannuation Scheme account, or other

Superannuation scheme accounts as authorised by the Directors.

Rule 20: ACCOUNTING RECORDS

20.1 The Board shall:

a) Cause proper accounting records to be kept relating to its transactions, its assets and liabilities; and

b) Establish and maintain a satisfactory system of control of its accounting records, its cash holdings, and all its receipts and payments; and

c) In respect of each financial year, the Credit Union must comply with subpart 3 of Part 7 of the Financial Markets Conduct Act 2013 which relates to the preparation, audit and lodgement of financial statements.

Rule 21: AUDIT

The Board shall at the end of each financial year arrange for the Annual Accounts to be audited in accordance with the requirements of the Act prior to the presentation to the Annual General Meeting.

Rule 22: APPOINTMENT OF AUDITOR

22.1 The Auditor who must be qualified under the Act shall be deemed to be reappointed as auditor of the Credit Union for the current financial year unless:

a) A resolution has been passed at an Annual or Special Meeting of the Credit Union appointing another auditor or other auditors or providing expressly that the present auditor shall not be reappointed; or

b) The auditor has given to the Credit Union notice in writing of unwillingness to be reappointed; or

c) The auditor is ineligible for appointment as auditor of the Credit Union for the current financial year; or

d) The auditor has ceased to act as auditor of the Credit Union by reason of death or incapacity.

22.2 In the event that the auditor is ineligible for automatic reappointment in terms of (1) above, a replacement auditor shall be appointed on resolution at an Annual or Special General Meeting of the Credit Union.

Rule 23: ANNUAL RETURNS

23.1 Pursuant to the provisions of the Act the Board shall be responsible for filing annual returns with the Registrar.

23.2 On the application of a member or person interested in the funds of this Credit Union, they shall be supplied without charge with either:

a) A copy of the last annual return of the Credit Union, or

b) A balance sheet or other documents duly audited containing the same particulars relating to the affairs of the Credit Union as are contained in the annual returns.

23.3 Together with every copy of an annual return supplied in accordance with Rule 23.2 above, the Credit Union shall provide a copy of the report of the auditors on the accounts and balance sheet contained in the return or on the balance sheet or document supplied, as the case may require.

Rule 24: INSPECTION OF BOOKS AND ACCOUNTS

24.1 Subject to Rule 24.2, any member or other person having an interest in the funds of the Credit Union may inspect the books and accounts of the Credit Union at all reasonable hours at the registered office or at any place where the books or accounts are kept.

24.2 Unless they are an officer of, or is specially authorised by resolution of the Credit Union so to do, a member or other person having an interest in the funds of the Credit Union shall not have the right to inspect any account of any other member without the written consent of that member.

Rule 25: BALANCE SHEET TO BE AVAILABLE

A copy of the last balance sheet for the time being including the income and expenditure account for the year being including the income and expenditure account for the year to which the balance sheet relates, together with the report of the auditor or auditors, shall be kept available at the office of the Credit Union for inspection, without charge, during ordinary office hours by a member or person interested in its funds.

Rule 26: DISPUTES

26.1 Nothing in this Rule 26 shall apply to a dispute involving the Supervisor in its capacity as such.

26.2 Every dispute between a member or such person claiming through a member under the rules of the Credit Union or with any officer of the Credit Union shall first be dealt with under the Credit Union's Financial Dispute Resolution process, details of which are available from the Credit Union. If the dispute is not resolved under the Credit Union's Financial Dispute Resolution process it shall be settled by arbitration. One arbitrator is to be appointed by the Board and one by the interested party. If the said arbitrators are unable to agree they shall have power to call on a third party to act as umpire between them and whose decision shall be final. If either party shall neglect or refuse to appoint an arbitrator for the space of 10 days after receipt of notice of the appointment of an arbitrator by the other party such last named arbitrator may make a final decision alone and the decision so made under this rule shall be binding and conclusive on all parties without appeal and shall not be removable into any Court of Law or restrainable by injunction but an

application for an enforcement thereof may be made to any District Court or of any other Court of competent jurisdiction.

Rule 27: CLAIMS UNDER DECEASED ESTATES OR INSOLVENCY

27.1 The general withdrawal rules as set out in Rules 7.6.1 and 17 shall apply.

27.2 In the case of a claim under a deceased estate the claimant shall forward to the Secretary a Certificate of Death under the hand of the Registrar of Births and Deaths together with such other information as defined in the Act as may be required from time to time. If the claim is in order it shall be paid.

Rule 28: APPLICATION FOR INSPECTION

28.1 It shall be the right of:

a) One fifth of the members if the number of members does not exceed 1,000; or

b) Two hundred members if the number of members exceeds 1,000 by application in writing to the Registrar, pursuant to Section 89 of the Act:

i. To apply for the appointment of one or more inspectors to examine into the affairs of the Credit Union to report thereon, or

ii. To apply for the calling of a Special Meeting of the Credit Union

Rule 29: LIQUIDATION

29.1 The Credit Union may be put into liquidation under the relevant provisions of the Act.

29.2 In any liquidation of the Credit Union, or removal from the register or cancellation of registration under Section 140 of the Act, any assets remaining after the repayment of all debts of the Credit Union and repayment of shares held by the members of the Credit Union, at the date of the appointment of the liquidator or the date of removal from the register or cancellation of the registration under the Act, will be applied to charitable purposes that benefit New Zealand Police.

Rule 30: NOMINATION OF SHARES

A member of the Credit Union may, by writing under his hand delivered at or sent to the registered office of the Credit Union, or made in a register kept at that office, nominate a person or persons to receive any shares that the member may have in the Credit Union on the death of the member or any sum of money payable by the Credit Union at that time in accordance with Section 142 of the Act.

Rule 31: REGISTER OF MEMBERS

A register of members of the Credit Union shall be kept in accordance with Section 130 of the Act and the Financial Markets Conduct Act 2013.

Rule 32: SERVICE OF NOTICES

32.1 Each member must supply to the Credit Union a telephone contact, a postal address and, if the member wishes to receive communications and notices of meetings by electronic communication, a working e-mail address.

32.2 It is a member's obligation to ensure that any change in contact telephone number, postal or e-mail address is notified to the Credit union immediately.

32.3 Each member must from time to time supply to the Credit Union such proof of identity and address as may be required to enable the Credit Union to comply with its obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, and all other applicable legislation requiring proof of identity.

32.4 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.

Rule 33: THE ACT

These rules are to be read in conjunction with the Act. In the event of conflict between the rules and the Act then the Act shall apply. In the event of a dispute in the interpretation of a section or subsection or any part of the Act then Rule 26 on disputes shall apply. If these rules are silent on a particular matter, then the Act shall apply.