

CONSTITUTION CUFSS LIMITED

This is the amended Constitution tabled and adopted by Special Resolution at the General Meeting held 24th October 2011 and signed by the Chairman as identification.

Dated 24/10/2011

Table of Contents

DIVISION 1. — INTERPRETATION AND DICTIONARY	1
1. Interpretation.....	1
2. Dictionary.....	1
DIVISION 2. — INTRODUCTION	3
3. Name of Body Corporate	3
4. Type of Company.....	3
5. Limited Liability	3
6. Objects.....	3
7. Capacity to Enter into Industry Support Contract.....	4
DIVISION 3. — MODIFICATION OF CONSTITUTION.....	5
8. Modification or Repeal of Constitution	5
9. Cuscal's Consent to Modification or Repeal	5
DIVISION 4. — MEMBERSHIP	6
10. Admission to Membership.....	6
11. Termination of Membership	6
12. Expulsion	6
13. Continuation of Obligations.....	7
DIVISION 5. — ANNUAL SUBSCRIPTIONS AND LEVIES.....	8
14. Annual Subscriptions	8
15. Non Payment of Annual Subscriptions and Levies	8
DIVISION 6. — WHO MAY CALL MEETINGS OF MEMBERS	9
16. Calling of Meetings of Members by a Director	9
17. Calling of General Meeting by Directors when Requested by Members.....	9
18. Failure of Directors to Call General Meeting.....	9
19. Calling of General Meetings by Members	10
DIVISION 7. — HOW TO CALL MEETINGS OF MEMBERS	11
20. Amount of Notice of Meetings.....	11
21. Notice of Meetings of Members to Members and Directors	11
22. Auditor Entitled to Notice and Other Communications	11
23. Contents of Notice of Meetings of Members	11
24. Postponement or Cancellation of Meetings	12
DIVISION 8. — HOLDING MEETINGS OF MEMBERS	13
25. Purpose	13
26. Time and Place for Meetings of Members	13
27. Technology	13
28. Quorum.....	13
29. Chairing Meetings of Members	13
30. Rules of Debate	14
31. Auditor's Right to be Heard at General Meetings.....	14
32. Adjourning Meetings	14

33.	Business at Adjourned Meetings	14
DIVISION 9. — AGMS.....		15
34.	CUFSS Must Hold AGM	15
35.	Business of AGM	15
36.	Questions and Comments by Members on Management at AGM	15
37.	Questions by Members of Auditors at AGM	15
DIVISION 10. — MEMBERS' RIGHTS TO PUT RESOLUTIONS AT MEETINGS		16
38.	Members' Resolutions	16
39.	Giving Notice of Members' Resolutions	16
40.	Members' Statements to be Distributed	16
DIVISION 11. — VOTING AT MEETINGS OF MEMBERS		18
41.	How Many Votes a Member Has	18
42.	Votes at a Meeting of Members	18
43.	Objections to Right to Vote	18
44.	Votes Need Not All be Cast in the Same Way	18
45.	How Voting is Carried Out	19
46.	Matters on Which a Poll may be Demanded	19
47.	When a Poll is Effectively Demanded	19
48.	When and How Polls Must be Taken	19
DIVISION 12. — PROXIES AND CORPORATE REPRESENTATIVES		20
49.	Corporate Representative	20
50.	Who Can Appoint a Proxy	20
51.	Rights of Proxies	20
52.	Appointment Forms or Lists of Proxies Must Be Sent to All Members.....	21
53.	Appointing a Proxy.....	21
54.	Proxy Documents.....	21
55.	Validity of Proxy Vote.....	22
DIVISION 13. — MINUTES AND MEMBERS' ACCESS TO MINUTES		23
56.	Minutes	23
57.	Members' access to minutes	23
DIVISION 14. — INSPECTION OF BOOKS.....		24
58.	CUFSS or its Directors May Allow Inspection of Books	24
DIVISION 15. — DIRECTORS.....		25
59.	Number of Directors.....	25
60.	Term of Office	25
61.	Rotation of Directors	25
62.	Eligibility to be a Director	25
DIVISION 16. — ELECTION OF DIRECTORS BY CUFSS MEMBERS		27
63.	Meaning of Candidate.....	27
64.	Nominations.....	27
65.	Proceeding with Election.....	27
66.	Appointment of Returning Officers.....	27
67.	Appointment of Scrutineer	27
68.	Ballot Papers.....	27
69.	Procedures after Close of the Ballot	28
70.	Optional Preferential Voting System	28

DIVISION 17. — VACATION OF OFFICE.....	29
71. Automatic Vacation of Office.....	29
72. Resignation.....	29
73. Retirement.....	29
74. Removal of Directors by Members.....	29
75. Removal of Appointed Director by Cuscal.....	30
76. Casual Vacancy.....	30
DIVISION 18. — REMUNERATION OF DIRECTORS.....	31
77. Remuneration of Directors.....	31
78. Travelling Expenses and Insurance.....	31
79. Disclosure of Remuneration.....	31
DIVISION 19. — DIRECTORS' MEETINGS.....	32
80. Powers and Duties of the Board.....	32
81. Delegation.....	32
82. Quorum of Board.....	32
83. Chair of Board.....	32
84. Meetings of the Directors.....	32
85. Circulating Resolutions.....	33
86. Passing of Directors' Resolutions.....	33
87. Committees of Directors.....	33
DIVISION 20. — CONFLICTS OF INTEREST.....	34
88. Meaning of Material Personal Interest.....	34
89. Disclosure of Material Personal Interests.....	34
90. Standing Notice of Interest.....	34
91. Voting By Interested Director.....	35
92. Cuscal Appointee.....	35
DIVISION 21. — RIGHT OF ACCESS TO BOOKS.....	36
93. Director's Right to Inspect Books for Legal Proceedings.....	36
94. Right During 7 Years After Ceasing to be Director.....	36
95. Right to Take Copies.....	36
96. CUFSS not to Refuse Access.....	36
97. Interaction with Other Rules.....	36
DIVISION 22. — FINANCIAL RECORDS.....	37
98. Financial Years.....	37
99. Financial Records to be Kept.....	37
100. Inspection of Financial Records.....	37
101. Audit of Annual Financial Report.....	37
102. Annual Financial Reporting to Members.....	37
103. Deadline for Reporting to Members.....	38
104. Member's Choices for Annual Financial Information.....	38
105. Consideration of Reports at AGM.....	38
DIVISION 23. — SECRETARY.....	39
106. Requirement to Have Secretary.....	39
107. Eligibility to be a Secretary.....	39
108. Appointment.....	39
109. No Secretary or Secretary Unable to Act.....	39
110. Same Person Acting as Director and Secretary.....	39

DIVISION 24. — SEAL & EXECUTING DOCUMENTS.....	40
111. Seal.....	40
112. Executing Documents.....	40
DIVISION 25. — INDEMNITY AND INSURANCE.....	41
113. Indemnity	41
114. Insurance.....	41
DIVISION 26. — NOTICES.....	42
115. Meaning of Business Day	42
116. Delivery of Notice.....	42
117. Date of Delivery	42
APPENDIX 1 - OPTIONAL PREFERENTIAL VOTING RULES.....	43

Division 1. — Interpretation and Dictionary

1. Interpretation

- 1.1 In this Constitution, unless the context requires otherwise:
- (a) The singular includes the plural and vice versa;
 - (b) Where an expression is defined in this Constitution, any other grammatical form of the expression has a corresponding meaning;
 - (c) Words defined in the *Corporations Act* have the same meaning in this Constitution;
 - (d) A reference to a statute or regulation includes all amendments, consolidations or replacements of the statute or regulation;
 - (e) A reference to this Constitution or another instrument includes all amendments or replacements of the Constitution or the other instrument;
 - (f) A reference to a statutory or other body that ceases to exist or the powers and functions of which are transferred to another body includes a reference to the body:
 - (1) That replaces it; or
 - (2) To which substantially all the powers and functions relevant to this Constitution are transferred; and
 - (g) A reference to something being "written" or "in writing" includes that thing being represented or reproduced in any mode in a visible form.
- 1.2 Unless expressly provided otherwise, when this Constitution, or any notice given under this Constitution, states a time or a period of time, the time stated is, or the period of time is calculated by reference to, Australian Eastern Standard Time or Australian Eastern Summer Time, as the case may be, in Sydney.

2. Dictionary

Unless the contrary intention appears:

ADI means a body corporate authorised by **APRA** to conduct banking business in Australia under *Banking Act 1959* (Cth) s 9;

AGM means the annual general meeting of **CUFSS**;

Appointed director means:

- (a) A **director** appointed, either by **Cuscal** or the other **directors**, under Rule 59; and
- (b) A **director** appointed by the **board** under Rule 76 to fill a casual vacancy in the office of an **appointed director**;

APRA means the Australian Prudential Regulation Authority;

ASIC means the Australian Securities and Investments Commission;

Board means the board of directors of **CUFSS** from time-to-time;

CUFSS member means a body corporate authorised:

- (a) To conduct the business of banking in Australia under the *Banking Act 1959* (Cth) s 9; and
- (b) (Whose membership structure remains mutual; and
- (c) Whose name is entered in **CUFSS**' Register of Members kept under the *Corporations Act*;

CUFSS means CUFSS Limited;

Cuscal means Cuscal Limited;

Director means a director for the time being of **CUFSS**;

Elected director means:

- (a) A **director** elected by **CUFSS members** under Division 16.;
- (b) a **director** elected by **CUFSS members** to fill the office left vacant on removal of an **elected director** under Rule 74;
- (c) a **director** appointed by the **board** under Rule 76 to fill a casual vacancy in the office of an **elected director**;

member means **Cuscal** or a **CUFSS member**;

remuneration includes:

- (a) salary;
- (b) wages;
- (c) bonuses;
- (d) allowances paid for the sole purpose of meeting expenses incurred in connection with performing services as a **director**;
- (e) a benefit in the nature of a fringe benefit; and
- (f) superannuation contribution for the benefit of the **director** or a **director's** dependants;

secretary means the secretary for the time being of **CUFSS**;

special resolution means a resolution:

- (a) of which notice, as set out in Rule 23(c) has been given; and
- (b) that has been passed by at least 75% of the votes cast by **members** entitled to vote on the resolution.¹

¹ Section 9 definition

Division 2. — Introduction

3. Name of Body Corporate

The name of the body corporate is CUFSS Limited.

4. Type of Company

CUFSS is a company limited by guarantee.

5. Limited Liability

5.1 The liability of the **members** is limited.

5.2 Each person who is or was a **member** must contribute \$100 to the property of **CUFSS** if **CUFSS** is wound up:

- (a) while the person is a **member**, or
- (b) within one year after the person ceases to be a **member**.

The contributions are for:

- (a) payment of **CUFSS**' debts and liabilities (incurred before the person ceased to be a **member**);
- (b) payment of costs and expenses of winding-up; and
- (c) adjustment of the contributories rights among themselves.

5.3 On a winding-up **members** are entitled to participate in any surplus equally. Alternatively, at any time, the **members** may resolve that any surplus on winding-up be transferred to an entity with similar functions to **CUFSS** or to another **ADI**.

6. Objects

6.1 **CUFSS** has been established to perform the following functions:

- (a) to administer the industry support system;
- (b) to monitor **CUFSS** members' liquidity, capital and profitability;
- (c) to investigate **CUFSS** members and assess whether they require financial support where **Cuscal** is unable to meet their liquidity requirements through its banking services;
- (d) to decide whether or not to offer **CUFSS** members financial support and, if so, on what terms;
- (e) to assist the orderly exit of a **CUFSS** member by way of merger with, or transfer of engagements to, another **ADI**; and
- (f) to advise **CUFSS** members about liquidity and risk management.

6.2 **CUFSS**' primary objects are to:

- (a) protect the interests of members of **CUFSS** members; and
- (b) promote financial sector stability.

6.3 In administering the industry support system, **CUFSS** takes into account the interests of:

- (a) **CUFSS** members participating in the industry support system;
- (b) **Cuscal**;
- (c) existing and prospective members of **CUFSS**;
- (d) **APRA** in the exercise of **APRA's** powers under the *Banking Act 1959* (Cth) for the protection of depositors; and
- (e) the community as a whole in a stable financial sector.

7. **Capacity to Enter into Industry Support Contract**

CUFSS has the power:

- (a) to enter into an Industry Support Contract;
- (b) to enter into any other agreements relevant to the industry support system; and
- (c) to perform all obligations and exercise any powers under the agreements referred to in this Rule.

This Rule does not in any way limit **CUFSS'** legal capacity.

Division 3. — Modification of Constitution

8. Modification or Repeal of Constitution

CUFSS may modify or repeal this Constitution, or a provision of this Constitution, by **special resolution**.

9. Cuscal's Consent to Modification or Repeal

A **special resolution** under Rule 8 does not have any effect, in relation to a modification or repeal of any provision in the following table, without **Cuscal's** consent.

Rule 9	Cuscal's Consent to Modification or Repeal
Rule 10.1(a)	Admission to Membership
Rule 16	Calling of Meetings of Members by a Director
Rule 59	Number of Directors

Division 4. — Membership

10. Admission to Membership

10.1 Only the following persons are eligible for membership of **CUFSS**:

- (a) **Cuscal**; and
- (b) mutual banking ADI's described as **CUFSS** members in Rule 2 of this Constitution.

10.2 In deciding whether or not to admit an applicant for membership as a **member**, the **directors** may take into account:

- (a) whether participation of the applicant in the industry support system would adversely affect the interests of existing **members**; and
- (b) any other matter which they consider relevant.

11. Termination of Membership

11.1 A **member's** membership of **CUFSS** terminates if:

- (a) the **member** gives **CUFSS** at least 12 months written notice of resignation;
- (b) the **member** is wound up or dissolved;
- (c) **APRA** revokes the **member's** authority to conduct banking business in Australia under the *Banking Act 1959 (Cth) s 9A*;
- (d) **APRA** revokes its consent to a **CUFSS member** using the words "credit union" or "credit society" or "building society" or "bank" in its name under the *Banking Act 1959 (Cth) s 66(2)(c)*;
- (e) the **member** merges or transfers all of its engagements to another entity that is not a **member**, or
- (f) the **directors** expel the **member** from **CUFSS** in accordance with this Constitution.

11.2 Termination of membership takes effect upon the **directors** removing the **member's** name from the Register of Members.

12. Expulsion

The **board** may expel a **member** from **CUFSS** by giving the **member** a notice of immediate expulsion if the **member**:

- (a) breaches an Industry Support Contract or any other industry support document and the **member** does not remedy the breach by the end of the 14th day after the date on which the **member** receives a notice informing the **member** of the breach; or
- (b) breaches this Constitution and does not remedy the breach by the end of the 14th day after the date on which the **member** receives a notice informing the **member** of the breach.

In this Rule "industry support document" means:

- (a) the equitable fixed and floating charge over the **CUFSS member's** assets on the terms specified by **Cuscal**; and
- (b) the documents used to document the provision of funds under the Industry Support Contract, including:
 - (1) the Syndicated Loan Facility in the form set out in Appendix 1 to the Industry Support Contract; and
 - (2) an appropriately completed Term Sheet in the form set out in Appendix 2 to the Industry Support Contract.

13. Continuation of Obligations

When this Constitution imposes an obligation on a **member** in favour of **CUFSS**, until the obligation is performed, **CUFSS** continues to have the benefit of that obligation, even after the **member's** membership terminates.

Division 5. — Annual Subscriptions and Levies

14. Annual Subscriptions

14.1 Every financial year:

- (a) each **CUFSS member** must pay **CUFSS** an annual subscription;
- (b) **Cuscal** must pay **CUFSS** an annual subscription.

14.2 A **CUFSS member's** annual subscription is calculated by multiplying the subscription rate by the **CUFSS member's** total assets as at 31 December in the year immediately preceding the year to which the annual subscription relates.

For the purposes of this clause “total assets” refers to the total assets of the **CUFSS member** as a consolidated entity, taking into account the assets of all the entities the accounting standards require a **CUFSS member** to include in its consolidated financial accounts.

14.3 **Cuscal's** annual subscription is an amount equal to the highest amount of annual subscription paid by a **CUFSS member**.

14.4 The **board** determines the subscription rate annually. The **board** must determine a subscription rate that yields annual subscriptions commensurate with **CUFSS'** operating requirements.

14.5 **CUFSS** must give each **CUFSS member** notice of the subscription rate and annual subscription payable by the **CUFSS member** for each financial year and must ensure that the notice is received by each **CUFSS member** before the start of the financial year to which the subscription rate and annual subscription applies.

14.6 Each **CUFSS member** must pay its annual subscriptions in advance by 15 July.

14.7 On registration, the **board** may:

- (a) determine a rate of annual subscription;
- (b) apply the rate to a **CUFSS member's** total assets as at 31 December in the year immediately preceding the registration date;
- (c) give notice to **CUFSS members** within 21 days of determining the rate; and
- (d) require **CUFSS members** to pay the annual subscription at times the **directors** determine.

15. Non Payment of Annual Subscriptions and Levies

If a **member** fails to pay its annual subscription or levy as and when required:

- (a) the **member** must pay interest from the date due for payment to the date of actual payment at a rate determined by the **directors**;
- (b) the **member** may not vote at any meeting or election of **directors** while the annual subscription or levy, plus interest, remains outstanding.

Division 6. — Who May Call Meetings of Members

16. Calling of Meetings of Members by a Director ²

A *director* may call a meeting of *members*.

17. Calling of General Meeting by Directors when Requested by Members ³

17.1 The *board* must call and arrange to hold a general meeting on the request of at least 10 *members* who are entitled to vote at the general meeting.

17.2 The request must:

- (a) be in writing; and
- (b) state any resolution to be proposed at the meeting; and
- (c) be signed by the *members* making the request; and
- (d) be given to **CUFSS**.

17.3 Separate copies of a document setting out the request may be used for signing by *members* if the wording of the request is identical in each copy.

17.4 The *board* must call the meeting within 21 days after the request is given to **CUFSS**. The meeting is to be held not later than 2 months after the request is given to **CUFSS**.

18. Failure of Directors to Call General Meeting ⁴

18.1 *Members* with more than 50% of the votes of all of the *members* that make a request under Rule 17 may call and arrange to hold a general meeting if the *board* does not do so within 21 days after the request is given to **CUFSS**.

18.2 The meeting must be called in the same way — so far as is possible — in which general meetings of **CUFSS** may be called. The meeting must be held not later than 3 months after the request is given to **CUFSS**.

18.3 To call the meeting the *members* requesting the meeting may ask **CUFSS** for a copy of the Register of Members. **CUFSS** must give the *members* the copy of the Register of Members without charge.

18.4 **CUFSS** must pay the reasonable expenses the *members* incurred because the *board* failed to call and arrange to hold the meeting.

18.5 **CUFSS** may recover the amount of the expenses from the *directors*. However, a *director* is not liable for the amount if the *director* proves that the *director* took all reasonable steps to cause the *directors* to comply with Rule 17. The *directors* who are liable are jointly and individually liable for the amount. If a *director* who is liable for the amount does not reimburse **CUFSS**, **CUFSS** must deduct the amount from any sum payable as fees to, or *remuneration* of, the *director*.

² Section 249C (replaceable rule - see section 135)

³ Section 249D

⁴ Section 249E

19. Calling of General Meetings by Members⁵

- 19.1 10 **CUFSS members** may call, and arrange to hold, a general meeting. The **CUFSS members** calling the meeting must pay the expenses of calling and holding the meeting.
- 19.2 The meeting must be called in the same way — so far as is possible — in which general meetings of **CUFSS** may be called.

⁵ Section 249F

Division 7. — How to Call Meetings of Members

20. Amount of Notice of Meetings ⁶

- 20.1 Subject to Rule 20.2, at least 28 days notice must be given of a meeting of *members*.
- 20.2 Subject to Rule 20.3, **CUFSS** may call on shorter notice:
- (a) an **AGM** — if all *members* entitled to attend and vote at the **AGM** agree beforehand; and
 - (b) any other general meeting — if *members* with at least 95% of the votes that may be cast at the meeting agree beforehand; and
 - (c) any class meeting — if *members* with at least 95% of the votes that may be cast at the class meeting agree beforehand.
- 20.3 At least 21 days notice must be given of a meeting of the *members* at which a resolution will be moved to:
- (a) remove a **director** under Rule 74; or
 - (b) appoint a **director** in place of a **director** removed under that section; or
 - (c) remove an auditor.

21. Notice of Meetings of Members to Members and Directors ⁷

Written notice of a meeting must be given individually to each *member* entitled to vote at the meeting and to each **director**.

22. Auditor Entitled to Notice and Other Communications ⁸

CUFSS must give its auditor:

- (a) notice of a general meeting in the same way that a *member* is entitled to receive notice; and
- (b) any other communications relating to the general meeting that a *member* is entitled to receive.

23. Contents of Notice of Meetings of Members ⁹

A notice of a meeting of *members* must:

- (a) set out the place, date and time for the meeting (and, if the meeting is to be held in 2 or more places, the technology that will be used to facilitate this); and
- (b) state the general nature of the meeting's business; and
- (c) if a **special resolution** is to be proposed at the meeting — set out an intention to propose the **special resolution** and state the resolution; and

⁶ Section 249H

⁷ Section 249J

⁸ Section 249K

⁹ Section 249L

- (d) contain a statement setting out the following information:
 - (1) that the **member** has a right to appoint a proxy; and
 - (2) that the proxy does not need to be a **member** of **CUFSS**;
 - (3) that a **member** who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

24. Postponement or Cancellation of Meetings

- 24.1 This Rule does not apply to meetings of **members** called under Rule 17, Rule 18 or Rule 19.
- 24.2 The **board** may postpone or cancel a meeting of **members** by giving **members** entitled to attend and vote at the meeting notice of the postponement or cancellation 7 days before the date the meeting is due to be held.
- 24.3 Where a **member** entitled to attend the meeting does not receive the notice of postponement or cancellation because of an accident or circumstances outside the **board's** control, the failure to give the notice does not invalidate the postponement or cancellation.

Division 8. — Holding Meetings of Members

25. Purpose ¹⁰

A meeting of *members* must be held for a proper purpose.

26. Time and Place for Meetings of Members ¹¹

A meeting of *members* must be held at a reasonable time and place.

27. Technology ¹²

CUFSS may hold a meeting of its *members* at 2 or more venues using any technology that gives the *members* as a whole a reasonable opportunity to participate.

28. Quorum ¹³

28.1 The quorum for a meeting of *members* is the lesser of either a majority of *members* or 20 *members*. The quorum must be present at all times during the meeting.

28.2 In determining whether a quorum is present, each individual proxy lodged is counted as a separate count in determining if a quorum is present. However, if a *member* has appointed more than 1 proxy or corporate representative, count only 1 of them.

28.3 A meeting of *members* that does not have a quorum present within 30 minutes after the time for the meeting set out in the notice of meeting is adjourned to the date, time and place the *board* specifies. If the *board* does not specify 1 or more of those things, the meeting is adjourned to:

- (a) if the date is not specified — the same day in the next week; and
- (b) if the time is not specified — the same time; and
- (c) if the place is not specified — the same place.

28.4 If no quorum is present at the resumed meeting within 30 minutes after the time for the meeting, the meeting is dissolved.

29. Chairing Meetings of Members ¹⁴

29.1 The chair of meetings of *members* is:

- (a) the chair of meetings of the *board*; or
- (b) if the chair of meetings of the *board* is not present or declines to act for the meeting (or part of it) — the deputy chair of meetings of the *board*.

29.2 The *members* must elect an individual present to chair the meeting (or part of it) if the chair or deputy chair of meetings of the *board* is not present, or declines to act, for the meeting (or part of it).

¹⁰ Section 249Q

¹¹ Section 249R

¹² Section 249S (replaceable rule - see section 135)

¹³ Section 249T (replaceable rule - see section 135)

¹⁴ Section 249U (replaceable rule - see section 135)

30. Rules of Debate

The rules of debate at a meeting of **members** are those contained in the Standing Orders as set out, from time-to-time, on **Cuscal's** website.

31. Auditor's Right to be Heard at General Meetings ¹⁵

- 31.1 **CUFSS'** auditor is entitled to attend any general meeting.
- 31.2 The auditor is entitled to be heard at the meeting on any part of the business of the meeting that concerns the auditor in their capacity as auditor.
- 31.3 The auditor is entitled to be heard even if:
- (a) the auditor retires at the meeting; or
 - (b) the meeting passes a resolution to remove the auditor from office.
- 31.4 The auditor may authorise a person in writing as the auditor's representative for the purpose of attending and speaking at any general meeting.

32. Adjourning Meetings

- 32.1 The chair must adjourn a meeting of **members** if the **members** present with a majority of votes at the meeting agree or direct that the chair must do so.¹⁶
- 32.2 When a meeting is adjourned, new notice of the resumed meeting must be given to **members** if the meeting is adjourned for 1 month or more.¹⁷

33. Business at Adjourned Meetings ¹⁸

- 33.1 A resolution passed at a meeting resumed after an adjournment is passed on the day it was passed.
- 33.2 Only unfinished business is to be transacted at a meeting resumed after an adjournment.

¹⁵ Section 249V

¹⁶ Section 249U(4) (replaceable rule - see section 135)

¹⁷ Section 249M (replaceable rule - see section 135)

¹⁸ Section 249W

Division 9. — AGMs

34. CUFSS Must Hold AGM ¹⁹

- 34.1 **CUFSS** must hold an **AGM** within 18 months after its registration.
- 34.2 After that, **CUFSS** must hold an **AGM** at least once in each calendar year and within 5 months after the end of its financial year.
- 34.3 An **AGM** is to be held in addition to any other meetings held by **CUFSS** in the year.

35. Business of AGM ²⁰

- 35.1 The business of an **AGM** may include any of the following, even if not referred to in the notice of meeting:
- (a) the consideration of the annual financial report, **directors'** report and auditor's report;
 - (b) the election of **directors**;
 - (c) the appointment of the auditor;
 - (d) the fixing of the auditor's remuneration.
- 35.2 Without limiting the other business that may be included in an **AGM**, the business of an **AGM** must include the fixing of **directors' remuneration**. Notice that the business of the **AGM** includes the fixing of **directors' remuneration** must be given individually to each **member** entitled to vote at the **AGM** and to each **director**.

36. Questions and Comments by Members on Management at AGM ²¹

The chair of an **AGM** must allow a reasonable opportunity for the **members** as a whole at the meeting to ask questions about or make comments on the management of **CUFSS**.

37. Questions by Members of Auditors at AGM ²²

If **CUFSS'** auditor or the auditor's representative is at the **AGM**, the chair of the **AGM** must allow a reasonable opportunity for the **members** as a whole at the **AGM** to ask the auditor or the auditor's representative questions relevant to the conduct of the audit and the preparation and content of the auditor's report.

¹⁹ Section 250N

²⁰ Section 250R

²¹ Section 250S

²² Section 250T

Division 10. — Members' Rights to Put Resolutions at Meetings

38. Members' Resolutions ²³

38.1 Any **member** may give **CUFSS** notice of a resolution that it proposes to move at a general meeting.

38.2 The notice must:

- (a) be in writing; and
- (b) set out the wording of the proposed resolution; and
- (c) be signed by the **member** proposing to move the resolution.

39. Giving Notice of Members' Resolutions ²⁴

39.1 If **CUFSS** has been given notice of a resolution under Rule 38, the resolution is to be considered at the next general meeting that occurs more than 35 days after the notice is given.

39.2 **CUFSS** must give all its **members** notice of the resolution at the same time, or as soon as practicable afterwards, and in the same way, as it gives notice of a meeting.

39.3 **CUFSS** is responsible for the cost of giving **members** notice of the resolution if **CUFSS** receives the notice before the end of the 35th day before the date of the meeting.

39.4 The **members** requesting the meeting are jointly and individually liable for the expenses reasonably incurred by **CUFSS** in giving **members** notice of the resolution if **CUFSS** does not receive the **members'** notice in time to send it out with the notice of meeting. At a general meeting, **CUFSS** may resolve to meet the expenses itself.

39.5 **CUFSS** need not give notice of the resolution:

- (a) if it is more than 1,000 words long or defamatory; or
- (b) if the **members** making the request are to bear the expenses of sending the notice out — unless the **members** give **CUFSS** a sum reasonably sufficient to meet the expenses that it will reasonably incur in giving the notice.

40. Members' Statements to be Distributed ²⁵

40.1 **Members** may request **CUFSS** to give to all its **members** a statement provided by the **members** making the request about:

- (a) a resolution that is proposed to be moved at a general meeting; or
- (b) any other matter that may be properly considered at a general meeting.

40.2 The request must be made by:

- (a) **members** with at least 5% of the votes that may be cast on the resolution; or

²³ Section 249N

²⁴ Section 249O

²⁵ Section 249P

- (b) at least 10 **members** who are entitled to vote at the meeting.
- 40.3 The request must be:
- (a) in writing; and
 - (b) signed by the **members** making the request; and
 - (c) given to **CUFSS**.
- 40.4 Separate copies of a document setting out the request may be used for signing by **members** if the wording of the request is identical in each copy.
- 40.5 The percentage of votes that **members** have is to be worked out as at the midnight before the request is given to **CUFSS**.
- 40.6 After receiving the request, **CUFSS** must distribute to all its **members** a copy of the statement at the same time, or as soon as practicable afterwards, and in the same way, as it gives notice of a general meeting.
- 40.7 **CUFSS** is responsible for the cost of making the distribution if **CUFSS** receives the statement in time to send it out to **members** with the notice of meeting.
- 40.8 The **members** making the request are jointly and individually liable for the expenses reasonably incurred by **CUFSS** in making the distribution if **CUFSS** does not receive the statement in time to send it out with the notice of meeting. At a general meeting, **CUFSS** may resolve to meet the expenses itself.
- 40.9 **CUFSS** need not comply with the request:
- (a) if the statement is more than 1,000 words long or defamatory; or
 - (b) if the **members** making the request are responsible for the expenses of the distribution — unless the **members** give **CUFSS** a sum reasonably sufficient to meet the expenses that it will reasonably incur in making the distribution.

Division 11. — Voting at Meetings of Members

41. How Many Votes a Member Has

41.1 At a meeting of *members*, *Cuscal* has one vote.

41.2 At a meeting of *members*, a **CUFSS member** has the number of votes appropriate to the **CUFSS member's** total assets as at the 31 December in the year before the meeting, as determined in the following table:

CUFSS member's total assets	Number of votes
Less than \$5 million	1
\$5 million to less than \$15 million	2
\$15 million to less than \$30 million	5
\$30 million to less than \$60 million	8
\$60 million to less than \$90 million	12
\$90 million to less than \$120 million	15
\$120 million to less than \$200 million	22
\$200 million to less than \$300 million	25
\$300 million to less than \$400 million	30
\$400 million or more	40

42. Votes at a Meeting of Members ²⁶

42.1 At a meeting of *members*:

- (a) on a show of hands — each *member* has 1 vote; and
- (b) on a poll — each *member* has the number of votes determined under Rule 41.2.

42.2 The chair does not have a casting vote.

43. Objections to Right to Vote ²⁷

A challenge to a right to vote at a meeting of *members*:

- (a) may only be made at the meeting; and
- (b) must be determined by the chair, whose decision is final.

44. Votes Need Not All be Cast in the Same Way ²⁸

On a poll a *member* voting that is entitled to 2 or more votes:

²⁶ Section 250E (replaceable rule—see section 135)

²⁷ Section 250G (replaceable rule—see section 135)

²⁸ Section 250H

- (a) need not cast all its votes; and
- (b) may cast its votes in different ways.

45. How Voting is Carried Out ²⁹

- 45.1 A resolution put to the vote at a meeting of *members* must be decided on a show of hands unless a poll is demanded.
- 45.2 On a show of hands, a declaration by the chair is conclusive evidence of the result, provided that the declaration reflects the show of hands and the votes of the proxies received. Neither the chair nor the minutes need to state the number or proportion of the votes recorded in favour or against.

46. Matters on Which a Poll may be Demanded ³⁰

- 46.1 A poll may be demanded on any resolution except a resolution concerning:
- (a) the election of the chair of a meeting; or
 - (b) the adjournment of a meeting.
- 46.2 A demand for a poll may be withdrawn.

47. When a Poll is Effectively Demanded ³¹

- 47.1 At a meeting of *members*, a poll may be demanded by:
- (a) a *member* entitled to vote on the resolution; or
 - (b) the chair.
- 47.2 The poll may be demanded:
- (a) before a vote is taken; or
 - (b) before the voting results on a show of hands are declared; or
 - (c) immediately after the voting results on a show of hands are declared.

48. When and How Polls Must be Taken ³²

A poll must be taken when and in the manner the chair directs.

²⁹ Section 250J (replaceable rule—see section 135)

³⁰ Section 250K

³¹ Section 250L

³² Section 250M (replaceable rule - see section 135)

Division 12. — Proxies and Corporate Representatives

49. Corporate Representative ³³

49.1 A **member** may appoint an individual as a corporate representative to exercise all or any of the powers it may exercise:

- (a) at meetings of **members**; or
- (b) relating to resolutions to be passed without meetings.

The appointment may be a standing one.

49.2 The appointment may set out restrictions on the corporate representative's powers. If the appointment is to be by reference to a position held, the appointment must identify the position.

49.3 A **member** may appoint more than 1 corporate representative but only 1 corporate representative may exercise its powers at any one time.

49.4 Unless otherwise specified in the appointment, the corporate representative may exercise, on the **member's** behalf, all of the powers that the **member** could exercise at a meeting or in voting on a resolution.

50. Who Can Appoint a Proxy ³⁴

50.1 A **member** who is entitled to attend and cast a vote at a meeting of **members**, or the **member's** corporate representative, may appoint a person as the **member's** proxy to attend and vote for the **member** at the meeting.

50.2 The appointment may specify the proportion or number of votes that the proxy may exercise.

50.3 Each **member** may appoint a proxy. If the **member** is entitled to cast 2 or more votes at the meeting, the **member** may appoint 2 proxies. If the **member** appoints 2 proxies and the appointment does not specify the proportion or number of the **member's** votes each proxy may exercise, each proxy may exercise half of the votes.

50.4 Disregard any fractions of votes resulting from the application of Rule 50.2 or Rule 50.3.

51. Rights of Proxies ³⁵

51.1 A proxy appointed to attend and vote for a **member** has the same rights as the **member**:

- (a) to speak at the meeting; and
- (b) to vote (but only to the extent allowed by the appointment); and
- (c) demand a poll.

51.2 A proxy is entitled to vote on a show of hands.

³³ Section 250D

³⁴ Section 249X

³⁵ Section 249Y

51.3 A proxy's authority to speak and vote for a **member** at a meeting is suspended while the **member's** corporate representative is present at the meeting.

52. Appointment Forms or Lists of Proxies Must Be Sent to All Members ³⁶

If **CUFSS** sends a **member** a proxy appointment form for a meeting or a list of persons willing to act as proxies at a meeting:

- (a) if the **member** requested the form or list — **CUFSS** must send the form or list to all **members** who ask for it and who are entitled to vote at the meeting; or
- (b) otherwise — **CUFSS** must send the form or list to all its **members** entitled to vote at the meeting.

53. Appointing a Proxy ³⁷

53.1 An appointment of a proxy is valid if it is executed by the **member** making the appointment, the **member's** attorney or the **member's** corporate representative and contains the following information:

- (a) the **member's** name and address;
- (b) **CUFSS'** name;
- (c) the proxy's name or the name of the office held by the proxy; and
- (d) the meetings at which the appointment may be used.

53.2 An appointment may be a standing one.

53.3 An appointment is invalid if it does not contain all of the information required by Rule 53.1.

53.4 An undated appointment is taken to have been dated on the day it is given to **CUFSS**.

53.5 An appointment may specify the way the proxy is to vote on a particular resolution. If it does the proxy must vote on a poll and must vote that way.

53.6 If a proxy is also a **member's** corporate representative, this Rule does not affect the way that the person can cast any votes as a **member's** corporate representative.

53.7 An appointment does not have to be witnessed.

53.8 A later appointment revokes an earlier one if both appointments could not be validly exercised at the meeting.

54. Proxy Documents ³⁸

54.1 For an appointment of a proxy for a meeting of **members** to be effective, the following documents must be received by **CUFSS** at least 48 hours before the meeting:

- (a) the proxy's appointment
- (b) if the appointment is signed by the appointor's attorney — the authority under which the appointment was signed or a certified copy of the authority.

³⁶ Section 249Z

³⁷ Section 250A

³⁸ Section 250B

- 54.2 If a meeting of **members** has been adjourned, an appointment and any authority received by **CUFSS** at least 48 hours before the resumption of the meeting are effective for the resumed part of the meeting.
- 54.3 **CUFSS** receives an appointment authority when it is received at any of the following:
- (a) **CUFSS'** registered office
 - (b) a fax number at **CUFSS'** registered office
 - (c) a place, fax number or electronic address specified for the purpose in the notice of meeting.

55. Validity of Proxy Vote ³⁹

Unless **CUFSS** has received notice of the revocation before the start or resumption of the meeting at which a proxy votes, a vote cast by the proxy will be valid even if, before the proxy votes the **member** revokes the proxy's appointment.

³⁹ Section 250C

Division 13. — Minutes and Members' Access to Minutes

56. Minutes ⁴⁰

56.1 **CUFSS** must keep minute books in which it records within 1 month:

- (a) proceedings and resolutions of meetings of **members**; and
- (b) proceedings and resolutions of **board** meetings (including meetings of a committee of **directors**); and
- (c) resolutions passed by the **board** without a meeting.

56.2 **CUFSS** must ensure that minutes of a meeting are signed within a reasonable time after the meeting by either:

- (a) the chair of the meeting; or
- (b) the chair of the next meeting.

56.3 **CUFSS** must ensure that minutes of the passing of a resolution without a meeting are signed by a **director** within a reasonable time after the resolution is passed.

56.4 **CUFSS** must keep its minute books at:

- (a) its registered office; or
- (b) its principal place of business in Australia; or
- (c) another place approved by **ASIC**.

56.5 A minute that is so recorded and signed is evidence of the proceeding, resolution or declaration to which it relates, unless the contrary is proved.

57. Members' access to minutes ⁴¹

57.1 **CUFSS** must ensure that the minute books for the meetings of its **members** and for resolutions of **members** passed without meetings are open for inspection by **members** free of charge.

57.2 A **member** may ask **CUFSS** in writing for a copy of:

- (a) any minutes of a meeting of **members** or an extract of the minutes; or
- (b) any minutes of a resolution passed by **members** without a meeting.

57.3 **CUFSS** must send the copy:

- (a) within 14 days after the **member** asks for it; or
- (b) within any longer period that **ASIC** approves.

⁴⁰ Section 251A

⁴¹ Section 251B

Division 14. — Inspection of Books

58. CUFSS or its Directors May Allow Inspection of Books ⁴²

The *board*, or *CUFSS* by resolution of a general meeting, may authorise *members* to inspect *CUFSS'* books.

⁴² Section 247D (replaceable rule - see section 135)

Division 15. — Directors

59. Number of Directors

CUFSS has a minimum of 4 **directors**:

- (a) A minimum of 2 **elected directors**, elected by **CUFSS members**;
- (b) 2 **appointed directors**:
 - (1) 1 appointed by **Cuscal**; and
 - (2) 1 appointed by the other **directors** to fill the position of independent chair.⁴³

The above provisions are to ensure that at all times the majority of Directors are member elected.

60. Term of Office

- 60.1 An **elected director** serves a 2 year term, beginning at the end of the **AGM** at which their election is announced and ending at the end of the third **AGM** after their election.
- 60.2 An **appointed director** serves a term as specified in their appointment.

61. Rotation of Directors

- 61.1 An **elected director** serves a 2 year term, retiring at the **AGM** closest to the expiration of that term, subject to rotation as provided in this Rule.
- 61.2 When more than 2 **directors** are elected at one time:
 - (a) the 2 with the highest vote retire at the third **AGM** after their election;
 - (b) the remaining **director** retires at the second **AGM** after their election; and
 - (c) where 2 or more **directors** have the same number of votes, the order of retirement amongst them is determined by lot.
- 61.3 When more than 2 **directors** are appointed without an election being held (as determined by Rule 65.1) the order in which these **directors** retire at subsequent **AGMs** is determined by lot.

62. Eligibility to be a Director⁴⁴

- 62.1 A person is not eligible to be a **director** of **CUFSS** if the person:
 - (a) is an employee of **CUFSS**;
 - (b) is a director of **Cuscal**; or

⁴³ Section 201H (replaceable rule - see section 135)

⁴⁴ Parts 2D.3 and 2D.6 of the Corporations Act 2001 set out mandatory grounds upon which a person is ineligible to be a **director**.

- (c) cannot manage **CUFSS** because of the person's mental incapacity and is a person whose estate or property has had a personal representative or trustee appointed to administer it.
- 62.2 A person is not eligible to be an **elected director** of **CUFSS** if the person fails to meet the eligibility criteria established by the **board** from time to time.
- 62.3 A person (including a retiring **director**) is only eligible for election as an **elected director** if the person:
- (a) is an officer of a **CUFSS member**; and
 - (b) has been nominated in accordance with Rule 65.

Division 16. — Election of Directors by CUFSS Members

63. Meaning of Candidate

In this Division, **candidate** means a candidate for election to the office of **elected director**.

64. Nominations

64.1 Nominations for **director** must be received at least 35 days before the **AGM**.

64.2 Each **CUFSS member** has the right to nominate 1 **candidate** only in any election.

64.3 To nominate a **candidate**, the **CUFSS member** must give **CUFSS** a notice of nomination before nominations close. The notice of nomination must:

- (a) declare that the **candidate** is eligible to be a **director** under Rule 62; and
- (b) be signed by the nominating **CUFSS member** and the **candidate**.

65. Proceeding with Election

65.1 If the number of **candidates** is equal to or less than the number of positions to be filled, each **candidate** is elected as an **elected director** by a separate resolution at the **AGM**.

65.2 If the number of **candidates** is greater than the number of positions to be filled, an election will be held at the relevant **AGM**.

66. Appointment of Returning Officers

66.1 The **board** must appoint a returning officer, who may appoint assistant returning officers, none of whom can be an executive officer of **CUFSS** or a **candidate**.

66.2 The **secretary** must prepare and give the returning officer a roll of **CUFSS members** and their respective voting entitlements.

67. Appointment of Scrutineer

67.1 A **candidate** may appoint a scrutineer.

67.2 The duties and responsibilities of scrutineers are:

- (a) to observe the sorting, counting and recording of ballot papers;
- (b) to ensure that the votes of **unrejected ballot papers** are correctly credited to the appropriate **candidates**; and
- (c) to raise any query with the returning officer regarding any of the ballot papers.

68. Ballot Papers

68.1 After nominations have closed under Rule 64.1, the returning officer must prepare ballot papers for the election, if required.

68.2 The order in which the **candidates** appear on the ballot paper is to be determined by the returning officer by lot.

68.3 The returning officer must sign or initial each ballot paper before distributing them to **CUFSS members**.

69. Procedures after Close of the Ballot

69.1 As soon as practicable after the close of the ballot, the returning officer must deal with the ballots as follows:

- (a) for each set of ballot papers, mark the **CUFSS member's** name off the roll of members;
- (b) cause the ballot papers to be scrutinised under the returning officer's supervision and reject such ballot papers as the returning officer finds to be informal;
- (c) count the votes in accordance with the voting system as laid down in Appendix 1;
- (d) prepare and sign a declaration of the ballot as to the:
 - (1) names of those persons elected;
 - (2) votes cast for all **candidates**; and
 - (3) number of votes rejected as informal; and
- (e) deliver the statement to the **secretary** of **CUFSS**.

69.2 A ballot paper is informal if:

- (a) it is not authenticated by the initials of the returning officer; or
- (b) it has no vote indicated on it or it does not indicate the **CUFSS member's** order of preference for such of the **candidates** as they choose to vote for.

69.3 **CUFSS** must announce the results of the ballot at the **AGM**.

69.4 A copy of the returning officer's declaration of the ballot shall be made available to any **CUFSS member** upon written request.

69.5 The returning officer must destroy the ballot papers 3 months after the declaration of the ballot.

70. Optional Preferential Voting System

70.1 A **CUFSS member** may vote for all **candidates** by placing the figure "1" opposite the name of the **candidate** for whom it wishes to vote as its first preference and by placing the figures "2", "3", "4", and so on, as the case requires, in the square respectively opposite the names of all other **candidates** in order of preference.

70.2 A **CUFSS member** may vote for one, some or all **candidates** but must indicate its preference in sequential order equal to the number of candidates for whom it chooses to vote.

Division 17. — Vacation of Office

71. Automatic Vacation of Office

- 71.1 Subject to Rule 71.2, the office of a **director** automatically becomes vacant if the **director**:
- (a) dies;
 - (b) ceases to be eligible to be a **director** under rule 62;
 - (c) is absent from 3 consecutive ordinary meetings of **directors** without leave; or
 - (d) within 90 days after ceasing to be eligible under Rule 62.3 (a) has not been appointed an officer of another **CUFSS member**.
- 71.2 The **board**, at its discretion, may allow a **director** otherwise ineligible under Rule 73.1(d), to remain until the end of their current term as a **director**.

72. Resignation

- 72.1 A **director** may resign by giving **CUFSS** notice of the **director's** resignation.
- 72.2 The **director's** office becomes vacant:
- (a) if the notice of resignation specifies a date of resignation — from the date of resignation; or
 - (b) otherwise — on the date **CUFSS** receives the notice of resignation.

73. Retirement

- 73.1 A **director's** office becomes vacant when the term of the **director's** office expires.
- 73.2 A retiring **director** is not automatically eligible for re-election.

74. Removal of Directors by Members ⁴⁵

- 74.1 The **members** of **CUFSS** may, by resolution, remove a **director** before the end of the **director's** term of office.
- 74.2 Where a **director** so removed has been appointed by **Cuscal** to represent its interests, the resolution to remove the **director** does not take effect until **Cuscal** has appointed a successor.
- 74.3 Notice of intention to move the resolution must be given to **CUFSS** at least 2 months before the meeting is to be held. However, if **CUFSS** calls a meeting after the notice of intention is given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.⁴⁶
- 74.4 As soon as practicable after receiving the notice, **CUFSS** must give a copy of the notice to the **director** concerned.⁴⁷

⁴⁵ Section 203D

⁴⁶ Section 203D (2)

⁴⁷ Section 203D (3)

- 74.5 The **director** is entitled to put their case to **members** by:
- (a) giving **CUFSS** a written statement for circulation to **members**; and
 - (b) speaking to the motion at the meeting.⁴⁸
- 74.6 **CUFSS** must circulate the written statement to **members** by:
- (a) sending a copy to everyone to whom notice of the meeting is sent if there is time to do so; or
 - (b) if there is not time to comply with paragraph (a) — having the statement distributed to **members** attending the meeting and read out at the meeting before the resolution is voted on.⁴⁹
- 74.7 **CUFSS** does not have to circulate the director's statement to **members** if it is more than 1,000 words long or defamatory.⁵⁰
- 74.8 If the **members** remove an **elected director** under this Rule, **CUFSS members** may elect a person, who is eligible to be a **director** under Rule 62, to fill the vacancy by a resolution at the meeting at which the **elected director** was removed.
- 74.9 A person elected as a **director** in place of a person removed under this Rule shall be treated, for the purpose of determining the time at which that person or any other **director** is to retire, as if that person had become a **director** on the day on which the person in whose place that person is appointed was last appointed a **director**.
- 74.10 If a vacancy created by this Rule in the office of an **elected director** is not filled at the meeting at which the **elected director** is removed it may be filled as a casual vacancy.

75. Removal of Appointed Director by Cuscal

Cuscal may, by giving **CUFSS** notice, remove its **appointed director** before the end of the **appointed director's** term of office.

76. Casual Vacancy

- 76.1 If there is a casual vacancy in the office of an elected director:
- (a) the **board** may appoint a person to be an **elected director** to fill a casual vacancy;
 - (b) the **board** may only appoint a person who is eligible to be a **director** under Rule 62; and
 - (c) the **board** may have regard to the suitability of **candidates** who were not elected at the previous election of **elected directors**.
- 76.2 A person appointed to fill a casual vacancy under this Rule shall be treated, for the purpose of determining the time at which that person is to retire, as if that person had become an **elected director** on the day on which the person in whose place that person is appointed was last elected an **elected director**.

⁴⁸ Section 203D (4)

⁴⁹ Section 203D (5)

⁵⁰ Section 203D (6)

Division 18. — Remuneration of Directors

77. Remuneration of Directors ⁵¹

- 77.1 Subject to Rule 78, in any financial year, the **remuneration** of **directors** may not exceed the aggregate amount that **CUFSS members** determine by resolution.
- 77.2 The **board** may determine the allocation of the aggregate amount of **remuneration** among the **directors**. If the **board** does not determine the allocation, the aggregate amount of **remuneration** must be allocated equally among the **directors**.
- 77.3 The **remuneration** of the **directors** accrues from day-to-day.
- 77.4 A **director** who is an executive officer of **Cuscal** is not entitled to **remuneration** but is entitled to payment of expenses under Rule 78.

78. Travelling Expenses and Insurance

In addition to any **remuneration** to which a **director** may be entitled under Rule 77, **CUFSS** may also pay:

- (a) the **directors'** travelling and other expenses that they properly incur:
- (1) in attending **board** meetings or any meetings of committees of **directors**; and
 - (2) in attending any general meetings of **CUFSS**; and
 - (3) in connection with **CUFSS'** business; and
- (b) insurance premiums for a contract that insures the **director** against liabilities that the **director** incurs as an officer of **CUFSS**.

79. Disclosure of Remuneration ⁵²

- 79.1 **CUFSS** must disclose the **remuneration** paid to each **director** if **CUFSS** is directed to disclose the information by at least 10 **members** that are entitled to vote at a general meeting.
- 79.2 **CUFSS** must disclose all **remuneration** paid to the **director**, regardless of whether it is paid to the **director** in relation to their capacity as **director** or another capacity.
- 79.3 **CUFSS** must comply with the direction as soon as practicable by:
- (a) preparing a statement of the **remuneration** of each **director** for the financial year before the direction was given; and
 - (b) having the statement audited; and
 - (c) sending a copy of the statement to each **member** and auditor.

⁵¹ Section 202A (replaceable rule - see section 135)

⁵² Section 202B

Division 19. — Directors' Meetings

80. Powers and Duties of the Board ⁵³

- 80.1 The business of **CUFSS** is to be managed by or under the direction of the **board**.
- 80.2 The **board** may exercise all the powers of **CUFSS** except any powers that the *Corporations Act* or this Constitution requires **CUFSS** to exercise in general meeting.

81. Delegation ⁵⁴

- 81.1 The **board** may delegate any of its powers to any other person or persons.
- 81.2 The **board** may permit the delegate to sub-delegate any powers delegated to them.
- 81.3 A committee of **directors** or a **director** to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the **board**. A power so exercised is taken to have been exercised by the **board**.

82. Quorum of Board ⁵⁵

The quorum for a **board** meeting is 3, or such other number as the **board** determines, and the quorum must be present at all times during the meeting.

83. Chair of Board ⁵⁶

- 83.1 The chair of meetings of the **board** is the **appointed director** appointed by the other **directors** under Rule 59.
- 83.2 When the chair is not present at a meeting, or is unwilling to act, the **directors** may appoint one of their number to chair the meeting.

84. Meetings of the Directors ⁵⁷

- 84.1 The **directors** may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- 84.2 A meeting of **directors** may be convened by a **director**.
- 84.3 A meeting of **directors** may be called or held using any technology consented to by all the **directors**. The consent may be a standing one. A **director** may only withdraw their consent within a reasonable period before a meeting.⁵⁸

⁵³ Section 198A (replaceable rule - see section 135)

⁵⁴ Section 198D

⁵⁵ Section 248F (replaceable rule - see section 135)

⁵⁶ Section 248E (replaceable rule - see section 135)

⁵⁷ Section 248C (replaceable rule - see section 135)

⁵⁸ Section 248D

85. Circulating Resolutions ⁵⁹

- 85.1 The **directors** may pass a resolution without a meeting of **directors** 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.
- 85.2 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.
- 85.3 The resolution is passed when the last **director** signs.

86. Passing of Directors' Resolutions ⁶⁰

- 86.1 A resolution of the **board** must be passed by a majority of the votes cast by **directors** entitled to vote on the resolution.
- 86.2 The chair has a casting vote in addition to any vote they have in their capacity as **director**.

87. Committees of Directors ⁶¹

- 87.1 The **board** may establish one or more committees consisting of such number of **directors** as the **board** thinks fit.
- 87.2 The members of a committee may elect one of their number as chair of their meetings.
- 87.3 A committee may meet and adjourn as it thinks proper.
- 87.4 Questions arising at a meeting of a committee are to be determined by a majority of votes of those present and voting.
- 87.5 In the case of an equality of votes, the chair does not have a casting vote in addition to the chair's deliberative vote.

⁵⁹ Section 248A (replaceable rule - see section 135)

⁶⁰ Section 248G (replaceable rule - see section 135)

⁶¹ Section 198D (replaceable rule - see section 135)

Division 20. — Conflicts of Interest

88. Meaning of Material Personal Interest ⁶²

For purposes of this Division, material personal interest does not include any interest that:

- (a) relates to the **director's remuneration** as **director** of **CUFSS**;
- (b) relates to any transaction that **CUFSS** is proposing to enter into that is subject to approval by **members** and will not impose any obligations on **CUFSS** if it is not approved by **members**;
- (c) arises merely because the **director** is a guarantor or has given an indemnity or security for all or part of a loan (or proposed loan) to **CUFSS**;
- (d) arises merely because the **director** has a right of subrogation in relation to a guarantee or indemnity referred to in paragraph (c);
- (e) relates to a contract that insures the **director** against liabilities that the **director** incurs as an officer of **CUFSS**; or
- (f) relates to any payment by **CUFSS** of an indemnity permitted under Rule 113 or any contract relating to such indemnity.

89. Disclosure of Material Personal Interests ⁶³

89.1 A **director** who has a material personal interest in a matter that relates to **CUFSS'** affairs must give the other **directors** notice of the interest at a **board** meeting as soon as practicable after the **director** becomes aware of their interest. The notice must set out details of:

- (a) the nature and extent of the interest; and
- (b) the relation of the interest to the affairs of the company.

89.2 The details of the disclosure must be recorded in the minutes of the **board** meeting.

89.3 Rule 89.1 does not apply if the **director** has given a standing notice under Rule 90.1.

90. Standing Notice of Interest ⁶⁴

90.1 A **director** who has an interest in a matter may give the other **directors** a standing notice of that interest at any time, whether or not the matter relates to **CUFSS'** affairs at the time it is given.

90.2 The **director** must give the standing notice to every other **director** either individually or at a **board** meeting.

90.3 If the **director** gives the standing notice to **directors** individually, it must be tabled at the next **board** meeting and the nature and extent of the interest disclosed must be recorded in the minutes of that meeting.

⁶² Section 191(2)

⁶³ Section 191

⁶⁴ Section 192

90.4 The standing notice ceases to have effect in relation to a particular interest if the nature or extent of the interest materially increases above that disclosed in the notice.

91. Voting By Interested Director ⁶⁵

91.1 Subject to Rule 91.2, a **director** who has a material personal interest in a matter that is being considered at a **board** meeting must not:

- (a) be present while the matter is being considered at the meeting; or
- (b) vote on the matter.

91.2 The **director** may be present and vote if **directors** who do not have a material personal interest in the matter have passed a resolution that:

- (a) identifies the **director**, the nature and extent of the **director's** interest in the matter and its relation to **CUFSS'** affairs; and
- (b) states that those **directors** are satisfied that the interest should not disqualify the **director** from voting or being present.

91.3 The **director** may be present and vote if **ASIC** determines that the **director** may be present and vote at the meeting.⁶⁶

92. Cuscal Appointee

92.1 The **director** appointed by **Cuscal** is appointed to represent **Cuscal's** interests.

92.2 The **director** appointed by **Cuscal** does not breach their fiduciary duty to act in good faith in **CUFSS'** best interests merely because the **director** takes into account **Cuscal's** interests and acts upon the wishes of **Cuscal**, unless no honest director in the **director's** position could reasonably have considered that in doing so, the **director** was also promoting **CUFSS'** interests.

⁶⁵ Section 195

⁶⁶ Section 196

Division 21. — Right of Access to Books ⁶⁷

93. Director's Right to Inspect Books for Legal Proceedings

A **director** may inspect the books of **CUFSS** (other than its financial records) at all reasonable times for the purposes of a legal proceeding:

- (a) to which the person is a party; or
- (b) that the person proposes in good faith to bring; or
- (c) that the person has reason to believe will be brought against them.

94. Right During 7 Years After Ceasing to be Director

94.1 A person who has ceased to be a **director** may inspect the books of **CUFSS** (including its financial records) at all reasonable times for the purposes of a legal proceeding:

- (a) to which the person is a party; or
- (b) that the person proposes in good faith to bring; or
- (c) that the person has reason to believe will be brought against them.

94.2 This right continues for 7 years after the person ceased to be a **director** of **CUFSS**.

95. Right to Take Copies

A person authorised to inspect books under this Division for the purposes of a legal proceeding may make copies of the books for the purposes of those proceedings.

96. CUFSS not to Refuse Access

CUFSS must allow a person to exercise their rights to inspect or take copies of the books under this Division.

97. Interaction with Other Rules

This Division does not limit the power of **CUFSS** to grant a **director** or former **director** rights of access to its books on terms more favourable than the provisions of this Division.

⁶⁷ Section 198F

Division 22. — Financial Records

98. Financial Years ⁶⁸

98.1 The first financial year starts on the day on which **CUFSS** is registered or incorporated. It lasts for 12 months or the period (not longer than 18 months) determined by the **board**.

98.2 Financial years must:

- (a) start at the end of the previous financial year; and
- (b) be 12 months long.

The **board** may determine that the financial year is to be shorter or longer (but not by more than 7 days).

99. Financial Records to be Kept ⁶⁹

CUFSS must:

- (a) keep financial records that:
 - (1) correctly record and explain **CUFSS**' transactions and financial position and performance;
 - (2) would enable true and fair financial statements to be prepared and audited;
- (b) retain the financial records for 7 years after the completion of the transactions to which they relate;
- (c) keep the financial records in writing in the English language or so as to enable the records to be readily accessible and readily converted into writing in the English language;
- (d) keep the records at such a place as the **board** determines.

100. Inspection of Financial Records ⁷⁰

A **director** may have access to the financial records at all reasonable times and may take copies.

101. Audit of Annual Financial Report ⁷¹

The **board** must ensure that **CUFSS**' financial report for a financial year is audited and it must obtain an auditor's report.

102. Annual Financial Reporting to Members ⁷²

CUFSS must report to **members** for a financial year by sending **members** copies of:

- (a) the financial report for the year; and

⁶⁸ Section 323D

⁶⁹ Sections 286, 287 & 289

⁷⁰ Section 290

⁷¹ Section 301

⁷² Section 314

- (b) the **directors'** report for the year; and
- (c) the auditor's report on the financial report.

103. **Deadline for Reporting to Members** ⁷³

CUFSS must report to **members** under Rule 102 by the earlier of:

- (a) 21 days before the next **AGM** after the end of the financial year; or
- (b) 4 months after the end of the financial year.

104. **Member's Choices for Annual Financial Information** ⁷⁴

104.1 A **member** may request **CUFSS**:

- (a) not to send them the material required by Rule 103; or
- (b) to send them a full financial report and the **directors'** report and auditor's report.

A request may be a standing request or for a particular financial year.

104.2 The time for complying with a request under this Rule is:

- (a) 7 days after the request is received; or
- (b) the deadline for reporting under Rule 103;

whichever is later.

104.3 A full financial report, **directors'** report and auditor's report are to be sent free of charge unless the **member** has already received a copy of them free of charge.

105. **Consideration of Reports at AGM** ⁷⁵

The **directors** must lay before the **AGM**:

- (a) the financial report; and
- (b) the directors' report; and
- (c) the auditor's report;

for the last financial year that ended before the **AGM**.

⁷³ Section 315

⁷⁴ Section 316

⁷⁵ Section 317

Division 23. — Secretary ⁷⁶

106. Requirement to Have Secretary

CUFSS must have at least 1 **secretary**. A **secretary** must ordinarily reside in Australia.

107. Eligibility to be a Secretary ⁷⁷

A person is not eligible to be a **secretary** of **CUFSS** if the person:

- (a) is a minor;
- (b) is prohibited from managing a body corporate under the *Corporations Act* Part 2D.6 unless the appointment is made with permission granted by **ASIC** under section 206F or leave granted by the Court under section 206G.

108. Appointment

108.1 The **board** may appoint one or more **secretaries**.

108.2 The **board** may not appoint a person to be a **secretary** until it has received a signed consent to act as **secretary** from the person.

108.3 A **secretary** holds office on the terms (including as to remuneration) as the **board** determines.

108.4 A **secretary** may appoint one or more assistant or deputy **secretaries**.

109. No Secretary or Secretary Unable to Act

109.1 If there is no **secretary**, or no **secretary** is capable of acting, any act or thing required or authorised to be done by or in relation to the **secretary** may be done by or in relation to any assistant or deputy **secretary**.

109.2 If there is no assistant or deputy **secretary**, or no assistant or deputy **secretary** is capable of acting, any act or thing required or authorised to be done by or in relation to the **secretary** may be done by or in relation to an officer of **CUFSS** authorised by the **board** to act as **secretary**, either generally or in relation to the doing of that act or thing.

110. Same Person Acting as Director and Secretary

A provision of the *Corporations Act* or of this Constitution requiring or authorising any act or thing to be done by or in relation to a **director** and a **secretary** is not satisfied by its being done by or in relation to the same person acting both as **director** and as, or in place of, a **secretary**.

⁷⁶ See Section 204A (2)

⁷⁷ Section 204B

Division 24. — Seal & Executing Documents

111. Seal

- 111.1 The **directors** are to provide for the safe custody of the seal.
- 111.2 The seal is to be used only by the authority of the **directors**.
- 111.3 The **directors** may authorise any 2 officers to witness the affixing of the seal on a document of a class specified in the resolution.

112. Executing Documents

- 112.1 **CUFSS** may execute a document without using its common seal if the document is signed by:
- (a) 2 **directors**; or
 - (b) a **director** and the **secretary**.
- 112.2 **CUFSS** may execute a document under common seal if the seal is fixed to the document and the fixing of the seal is witnessed by:
- (a) 2 **directors**; or
 - (b) a **director** and the **secretary**.
- 112.3 **CUFSS** may execute a document as a deed if the document is expressed to be executed as a deed and is executed in accordance with Rules 112.1 or 112.2.

Division 25. — Indemnity and Insurance

113. Indemnity ⁷⁸

CUFSS indemnifies its officers and auditors when acting as such in relation to:

- (a) all costs and expenses incurred by an officer in defending proceedings, whether civil or criminal, in which judgment is given in favour of the officer or auditor or in which he or she is acquitted;
- (b) all costs and expenses incurred by an officer or auditor in applying to the court for relief where relief is granted;
- (c) a liability to another person (other than **CUFSS** or a related body corporate) arising out of the officer's or auditor's conduct as such, unless the conduct involves a lack of good faith.

114. Insurance

114.1 Subject to Rule 114.2, **CUFSS** may pay the premium for a contract of insurance to indemnify an officer or auditor against any loss or liability other than liability:

- (a) incurred by the person as such an officer or auditor; and
- (b) arising out of conduct involving: ⁷⁹
 - (1) a wilful breach of duty in relation to the company; or
 - (2) without limiting subparagraph (1), a contravention of the *Corporations Act* provisions in relation to a **director's** improper use of their position or improper use of **CUFSS** information.

114.2 **CUFSS** may pay the premium for a contract of insurance to indemnify an officer or auditor against liability for costs and expenses incurred by the officer or auditor in defending proceedings whether civil or criminal and whatever the outcome.

⁷⁸ Section 199A

⁷⁹ Section 199B

Division 26. — Notices

115. Meaning of Business Day

In this Division, **business day** means a day that is not:

- (a) a Saturday or Sunday; or
- (b) a public holiday in the place where the notice is received.

116. Delivery of Notice

116.1 Any notice given to a person under this Constitution must be in writing and must be addressed to the recipient at the following respective addresses:

- (a) if to **CUFSS** — at its registered office or such other address as **CUFSS** specifies to the **members** from time-to-time; and
- (b) if to a **member** — at the **member's** address appearing on the Register of Members from time-to-time.

116.2 A notice must be delivered either by:

- (a) hand delivering it personally;
- (b) sending it by ordinary post;
- (c) sending it by facsimile transmission; or
- (d) sending an electronic mail message through such system and in such manner as **CUFSS** specifies.

117. Date of Delivery

117.1 A notice hand delivered before 4:00pm on a **business day** is taken to have been given on that day. Otherwise, a hand delivered notice is taken to have been given on the following **business day**.

117.2 A notice sent by mail is taken to have been given on the following **business day** after posting unless it was actually received before that date.

117.3 A notice sent by facsimile transmission before 5:00pm (recipient's time) on a **business day** is taken to have been given on that day. Otherwise a notice sent by facsimile transmission is taken to have been given on the following **business day**. This clause does not apply where the person sending the transmission has evidence that the transmission was unsuccessful.

117.4 A notice sent by electronic mail before 5:00pm (recipient's time) on a **business day** is taken to have been given on that day. Otherwise a notice sent by electronic mail is taken to have been given on the following **business day**. This clause does not apply where the person sending the electronic mail has evidence that the transmission was unsuccessful.

Appendix 1 - Optional Preferential Voting Rules

1. In this Appendix:
 - (a) **continuing candidate** means a candidate not already elected or excluded from the count;
 - (b) **an absolute majority of votes** means a greater number than one half of the number of ballot papers other than informal ballot papers;
 - (c) **unrejected ballot papers** means all ballot papers not rejected as informal.
2. The votes to be counted shall be classified into two categories as follows:
 - (a) primary votes, which are the first sequence of preference votes equalling the number of vacancies so that, for example, where there are three vacancies the preference votes marked 1, 2 or 3 shall be counted as primary votes, and which:
 - (i) shall have equal value in the first count; and
 - (ii) be credited to the candidate for whom they are cast;
 - (b) secondary votes, which are the preference votes in the sequence beyond those referred to in subparagraph (a), shall rank according to their numerical order.
3. Primary votes shall be counted first and credited to the candidates for whom they are cast.
4. The candidate with the lowest number of primary votes shall then be excluded from the count and where:
 - (a) two or more candidates have an equal number of primary votes, the one to be excluded shall be the candidate with the lowest number of first preference votes; and
 - (b) in the case of an equality of first preference votes, the candidate to be excluded shall be determined by lot.
5. The first preference of the secondary votes, that is, the lowest number next after the sequence of numbers for primary votes, for each excluded candidate shall be credited to the candidate for whom it is cast.
6. The candidate with the lowest number of votes credited after the second count shall be excluded.
7. The first preference of secondary votes of the excluded candidate shall be credited to the candidate for whom it is cast.
8. If this first preference of secondary votes is credited to a candidate who has already been excluded, that first preference shall be disregarded and the next preference of the secondary vote cast in favour of a **continuing candidate** shall be credited to the **continuing candidate**.
9. Candidates will continue to be excluded and their preference of secondary vote credited to **continuing candidates**, in the method stated above, until the number of **continuing candidates** equals the number of candidates to be elected.
10. In relation to the exclusion of candidates after the second and subsequent counts where there is an equality of votes, the following principles shall apply:
 - (a) the candidate with the lowest number of votes credited after the preceding count shall be excluded;

- (b) if there still remains an equality of votes, the candidate with the least number of first preference votes in the primary votes shall be excluded; and
- (c) if there still remains an equality of votes, the candidate to be excluded shall be determined by lot.