

## Rule Changes for the 2019 AGM

**Existing Rule number in black**

**Proposed rule number and amended wording in red**

**Explanation of the reason behind the proposed change is in blue**

### **Notification of Members' Meetings**

81 At least 14 and not more than 90 days before the date of a general meeting, Members will be advised by the placing of notices in prominent areas of each credit union office, outlining the date, time and place of the meeting. In addition details will be posted on the credit union website, and the Auditor will be advised.

81 At least **1 month** and not more than 90 days before the date of a general meeting, Members will be advised by the placing of notices in prominent areas of each credit union office, outlining the date, time and place of the meeting. In addition details will be posted on the credit union website, and the Auditor will be advised.

#### **Explanation: -**

This is to bring the timing in line with rule 99a

### **Special general meeting called by the Supervisory Committee/Internal Audit**

87 If an Officer of the Credit Union has been suspended from office by the Supervisory Committee using the procedure set out in Rule 132 and has not tendered their resignation within 7 days of said suspension then the Supervisory Committee / Internal Audit shall convene a Special General Meeting of the Credit Union to be held no later than 90 days following the suspension. If the majority of the Members present at such a meeting so vote by secret ballot they may:

- a. Ratify the suspension and remove from office the person so suspended and shall determine the manner in which the vacancy caused as a result of the removal shall be filled. It shall be ensured that the vacancy is filled following the requirements of these Rules and subject to any regulatory requirements relating to Approved Person status. Any vacancy shall be filled at the meeting;
- b. Rescind the suspension;
- c. Remove from office any other Officer of the Credit Union (whether or not he or she has been suspended by the Supervisory Committee) and shall determine the manner in which the vacancy caused as a result of the removal shall be filled and subject to any regulatory requirements relating to Approved Person status shall fill the vacancy at the meeting.

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- a. Ratify the suspension and remove from office the person so suspended and shall determine the manner in which the vacancy caused as a result of the removal shall be filled. It shall be ensured that the vacancy is filled following the requirements of these Rules and subject to

- any regulatory requirements relating to Approved Person status. Any vacancy shall be filled at the meeting;
- b. Rescind the suspension;
- c. Remove from office any other Officer of the Credit Union (whether or not he or she has been suspended by the Supervisory Committee / **Internal Audit**) and shall determine the manner in which the vacancy caused as a result of the removal shall be filled and subject to any regulatory requirements relating to Approved Person status shall fill the vacancy at the meeting

**Explanation: -**

Police Credit Union now has a multi-level internal audit function that includes a Supervisory Committee, a Finance Risk Audit and Compliance Committee and an independent external audit firm. It is felt that the wording should incorporate the function, not just the Supervisory Committee.

**NOMINATING AND ELECTING OFFICERS**

**Voting**

90 A Member of the Credit Union may not vote by proxy at a general meeting of the Credit Union. Postal voting may be used, at the discretion of the Board of Directors, as part of the procedure for the nomination and election of the Board of Directors and the Supervisory Committee of the Credit Union

90 A Member of the Credit Union may not vote by proxy at a general meeting of the Credit Union. Postal voting **and / or electronic voting** may be used, at the discretion of the Board of Directors, as part of the procedure for the nomination and election of the Board of Directors and the Supervisory Committee of the Credit Union

**Explanation: -**

With modern technology it is easier and cheaper to offer electronic voting than a postal system. Although a system has not been devised as yet, the rule change will allow the Board of Directors the discretion to investigate options and the possibility to offer it at future AGMs.

**Nomination for election**

98 Subject to Rules 107 and 108 of these Rules, the Board of Directors will accept nominations for election of Officers of the Credit union. All nominees for election as an Officer of the Credit Union must be Members of the Credit Union and must be at least 18 years of age and:

- d. In the case of an individual Member, be the individual;
- e. In the case of a partnership or an unincorporated association, be the Designated Representative or partner;
- f. In the case of an incorporated body, be the Corporate Representative.

98 Subject to Rules 107 and 108 of these Rules, the Board of Directors will accept nominations for election of Officers of the Credit union. All nominees for election as an Officer of the Credit Union must be Members of the Credit Union and must be at least 18 years of age and:

- a. In the case of an individual Member, be the individual;
- b. In the case of a partnership or an unincorporated association, be the Designated Representative or partner;
- c. In the case of an incorporated body, be the Corporate Representative.
- d. **Have been a member for a minimum of 12 months prior to the date of the AGM**

- e. Be seconded by members who have been members for a minimum of 12 months prior to the date of the AGM

**Explanation: -**

The aim of this change is to prevent people joining with the sole aim of becoming a Director and ensuring that Directors have some experience before being asked to represent the membership.

99 All nominees for election shall be members of the Credit Union, of full age and, in the case of a Director vacancy, from the particular branch area where the vacancy occurs. Nominations for the Board of Directors and the Supervisory Committee shall be in writing, on the appropriate form, signed by a Proposer and Secunder, who shall be members of the credit union, (and in the case of a Director vacancy, from the particular credit union area where the vacancy occurs) and also by the nominee to indicate their consent.

99 All nominations for Directors and Supervisors must come through the Nominations Committee. Nominations for the Board of Directors and the Supervisory Committee shall be in writing, in line with conditions in rule 98, on the appropriate form signed by a Proposer and Secunder and also by the Nominee to indicate their consent.

**Explanation: -**

The wording refers back to when PCU had regional Directors who represented a particular area of the country and were voted in by members in that region. This no longer happens and if it did would undermine the requirement in the Credit Union Act: -

*“Subject to any provision in the rules of a credit union as to voting by a chairman who has a casting vote, on every matter which is determined by a vote of members of a credit union every member shall be entitled to vote and shall have one vote only.”*

99a Members will be notified that elections are to take place in the October Newsletter and on the Credit Union’s website during October. A notice will also be displayed in each Branch Office, on the 1st of November, inviting nominations for the post of Director, for the branch area, and the Supervisory Committee and stating which Director and Supervisory Committee members are submitting themselves for re-election.

99a Members will be notified that elections are taking place via the credit union website and a notice inviting nominations for Director and Supervisor vacancies which will be displayed in each office. The closing date will be advised within the notice but will be no later than 1 month before the AGM date to allow time for due diligence and eligibility checks to take place. Nominations should be submitted to the Nominations Committee.

**Explanation: -**

The date of the AGM can vary from year to year and where specific dates are quoted they may not coincide with the required timetable. Additionally the newsletter may not be sent out in October. The amended wording allows greater flexibility for timing.

Regulation now requires the Board of Directors to undertake checks on potential candidates before submitting a request for formal approval to the Regulators. The earlier closing date allows time for the Nominations Committee and Board of Directors to undertake due diligence before presenting a candidates to the membership at the AGM.

99b Nominations shall close on the 30<sup>th</sup> November.

99b Rule deleted at 2019 AGM.

**Explanation: -**

Again a specific date does not allow for movement in the date of the AGM.

100 If, after all of the nominations have been received, there are outstanding vacancies, the chairperson of the meeting may call for further nominations from the floor. Such nominations, if duly seconded and if the nominee is present and provides their consent, shall be in order.

100 Nominations will not be accepted from the floor.

**Explanation: -**

As above, any nominations from the floor will not allow for any due diligence to be undertaken as to the potential candidate's suitability as a Director or Supervisor.

### **Nominating Committee**

101 The Board of Directors may appoint a nominating Committee of not less than 3 Members of the Credit Union. The nominating Committee shall ascertain the number of vacant Officer posts requiring candidates and ensure that there is at least one suitable candidate to recommend to the Annual General Meeting for each vacancy. In making their recommendation, the nominating Committee shall ascertain that the nominee is 'fit and proper' to become an Approved Person. The nominating Committee shall adhere to any policy established by the Board of Directors in relation to the suitability of candidates. The nominating Committee shall also be responsible for identifying and recommending potential co-options to the Board of Directors to fill any vacancies. The Board may delegate powers to the nominating Committee to manage applications for Approved Person status.

101 The Board of Directors will appoint a Nominating Committee of not less than 3 Members of the Credit Union. The Nominating Committee shall ascertain the number of vacant Officer posts requiring candidates and ensure that there is at least one suitable candidate to recommend to the Annual General Meeting for each vacancy. In making their recommendation, the Nominating Committee shall ascertain that the Nominee is 'fit and proper' to become an Approved Person. The Nominating Committee shall adhere to any policy established by the Board of Directors in relation to the suitability of candidates, diversity, common bond area representation and numbers. The Nominating Committee shall also be responsible for identifying and recommending potential co-options to the Board of Directors to fill any vacancies. The Board may delegate powers to the Nominating Committee to manage applications for Approved Person status.

**Explanation: -**

With a more diverse common bond, it is important that efforts are made to ensure that the make-up of the board reflects the membership. Having a Nominating Committee will help with encouraging suitable candidates and the Board will establish a policy that provides guidance on the numbers and diversity expected.

## Board of Directors

106 Subject to Rule 162 of these Rules, at no time shall an employee of the Credit Union be a voting member of the Board of Directors

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### Explanation: -

Rule 162 was deleted at the March 2018 AGM. It required Police Credit Union membership of ABCUL and adherence to their rules.

## Casual vacancies

111 A casual vacancy on the Board of Directors shall, as soon as is practicable, be filled by a majority vote of the Directors then holding office. Such a co-opted Director shall hold office for the remainder of the unexpired term of that office. The Credit Union shall adhere to the requirements established by the relevant Authority in respect of obtaining Approved Person status for a co-opted Director prior to them taking up an active role in the management of the Credit Union.

111 A casual vacancy on the Board of Directors shall, as soon as is practicable, be filled by a majority vote of the Directors then holding office. Such a co-opted Director shall hold office until the next AGM at which time shall be subject to a Members vote in line with these Rules. The Credit Union shall adhere to the requirements established by the relevant Authority in respect of obtaining Approved Person status for a co-opted Director prior to them taking up an active role in the management of the Credit Union.

### Explanation: -

It is felt that members should have the chance to vote on a co-opted director at the earliest opportunity