

RULE CHANGES

Rule

Existing rule

Proposed New rule

<p>Common bond qualifications for membership Extension to Common Bond</p>	<p>7. Admission to membership is restricted to persons who fall within a common bond appropriate to;</p> <p>An individual who resides or is employed within the Borough of Merthyr Tydfil as delineated on the attached map.</p> <p>A corporate body, an individual in his/her capacity as a partner in a partnership, an individual in his/her capacity as an officer or member of a governing body of an unincorporated association, if the body corporate, partnership or unincorporated association has a place of business in the above locality.</p>	<p>7. Admission to membership is restricted to persons who fall within a common bond appropriate to;</p> <ul style="list-style-type: none"> a) An individual who resides or is employed within the Boroughs of Merthyr Tydfil, Blaenau Gwent, Rhondda Cynon Taf and Caerphilly as delineated on the attached map. b) A corporate body, an individual in his/her capacity as a partner in a partnership, an individual in his/her capacity as an officer or member of a governing body of an unincorporated association, if the body corporate, partnership or unincorporated association has a place of business in the above locality. c) An individual who is a member of the same household as, and is a relative of, an individual who is a member of the credit union and falls directly within a common bond specified above
<p>Special general meeting called by the supervisory committee (Rule 87) and Suspension of Officers (Rule 132)</p> <p>Amend Rules 87 and 132 to change process for suspension and removal of an elected officer. The Board of Directors has legal and regulatory responsibility for governance of the credit union. The change gives Board of Directors power to investigate and expel officers elected by the membership with the right of appeal to membership. Remove references to Supervisory Committee</p>	<p>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 shall convene a special general meeting of the Credit Union to be held no later than 30 days following the suspension. If the majority of Members present at such a meeting so vote by secret ballot they may:</p> <ul style="list-style-type: none"> 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 the Rules and subject to any regulatory requirements relating to Approved Person status. Any vacancy shall be filled at the meeting; 	<p>87. Whenever an Officer(s) has been suspended from office under the preceding rule, and within 7 days of said suspension has not submitted their resignation, the Board of Directors shall convene a special general meeting of the Credit Union to be held not later than 30 days after the suspension. If a majority of the members present at such a meeting so signify by secret ballot they may:</p> <ul style="list-style-type: none"> 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 the Rules 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 Board of Directors) and shall determine the

	<p>b) Rescind the suspension</p> <p>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 by the removal shall be filled and subject to any regulatory requirements relating to Approved Person status shall fill the vacancy at the meeting.</p> <p>Provided, however, that no person shall be removed from office under this rule without being given an opportunity of being represented or be heard at a special general meeting of the Credit Union of which he or she shall be given 14 days' notice.</p> <p>132. The supervisory committee may, by a unanimous vote of its entire membership at a special general meeting called for the purpose, suspend from office any Officer of the Credit Union who, in the opinion of the supervisory committee is guilty of a persistent or serious breach of the law in relation to the Credit Union, these Rules or the policies laid down by the Board of Directors. Whether or not it suspends any Officer, the supervisory committee may by unanimous decision convene a meeting of the Board of Directors or a special meeting of the Credit Union to consider such an action, at which meetings such Officer(s) shall be given an opportunity of state their case and/or be represented</p>	<p>manner in which the vacancy caused by the removal shall be filled and subject to any regulatory requirements relating to Approved Person status shall fill the vacancy at the meeting.</p> <p>Provided, however, that no person shall be removed from office under this rule without being given an opportunity of being represented or be heard at a special general meeting of the Credit Union of which he or she shall be given 14 days' notice</p> <p>132. The Board of Directors may, by a two thirds majority vote of its entire membership at a special meeting called for the purpose, suspend from office any Officer of the Credit Union who, in its opinion is guilty of a persistent or serious breach of the law in relation to the Credit Union, these Rules or the policies laid down by the Board of Directors. If the Board of Directors convenes a special meeting to consider such an action, such Officer(s) shall be given an opportunity of state their case and/or be represented.</p>
<p><i>Control and risk management</i> The Board has also recognised that the Prudential Regulation Authority and Financial Conduct Authority believe that such complexity in management, systems and controls should be managed by a sub-committee of the Board. Changes also require removing references to</p>	<p>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, supervisory committee and the credit committee (if in existence) of the Credit Union.</p> <p>91. Elections for the Board of Directors and supervisory committee of the Credit Union shall be conducted by secret ballot unless undertaken prior to the annual general meeting by postal vote.</p>	<p>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 credit committee (if in existence) of the Credit Union.</p> <p>91. Elections for the Board of Directors of the Credit Union shall be conducted by secret ballot unless undertaken prior to the annual general meeting by postal vote. Except where otherwise specified in these</p>

<p>Supervisory Committee in other rules</p>	<p>Except where otherwise specified in these Rules or law, all questions shall be resolved by a simple majority of votes cast.</p> <p>99. Nominations for the Board of Directors, the supervisory committee and the credit committee (if in existence) shall be in Writing and shall be signed by a proposer and a seconder who must also be Members of the Credit Union and also by the nominee to indicate their consent, and their willingness to submit to any requirements of the Relevant Authority. Nominations shall be sent so as to ensure they reach the registered office of the Credit Union at least 14 days before the date of the annual general meeting where the election shall take place.</p>	<p>Rules or law, all questions shall be resolved by a simple majority of votes cast.</p> <p>99. Nominations for the Board of Directors and the credit committee (if in existence) shall be in Writing and shall be signed by a proposer and a seconder who must also be Members of the Credit Union and also by the nominee to indicate their consent, and their willingness to submit to any requirements of the Relevant Authority. Nominations shall be sent so as to ensure they reach the registered office of the Credit Union at least 14 days before the date of the annual general meeting where the election shall take place</p>
<p>Responsibilities of Directors Changes also require removing references to Supervisory Committee Rule 122n and 122q Remove reference to Supervisory Committee Rule 122q Changing reference from Supervisory Committee to audit committee Rule 122v,w Combining rule to reflect changes to other rules Rescind rule 122w.</p> <p>Vacation of Office Rule 123g and i Removing reference to Supervisory Committee</p>	<p>122n. Filling any casual vacancy in the office of auditor, or in any office in the Credit Union, other than the supervisory committee, subject to rules 111 and 141;</p> <p>122q. Remunerating necessary clerical and auditing assistance employed or utilised by the supervisory committee;</p> <p>122v. Remove from office Officers and sub-committee members, except members of the supervisory committee, for failure to perform their duties or breach of these Rules;</p> <p>122w. Suspend any or all of the members of the supervisory committee as provided for by rules 133 and 134;</p> <p>123g. They resign their office in Writing to the Secretary or to the supervisory committee;</p> <p>123i. They are removed by a resolution of a majority of the Members of the Credit Union present at a special general meeting called for that purpose by the Board of Directors or by the supervisory committee or by the Members provided that such an Officer shall be given at least 14 days' notice of the meeting and of the intention to remove him or her from office;</p>	<p>122n Filling any casual vacancy in the office of auditor, or in any office in the Credit Union, subject to rules 111and 141;</p> <p>122q. Remunerating necessary clerical and auditing assistance employed or utilised by the audit committee;</p> <p>122v. Remove from office Officers and sub-committee members, for failure to perform their duties or breach of these Rules; as provided for by rules 133 and 134</p> <p>122w. Rule rescinded.</p> <p>123g. They resign their office in Writing to the Secretary or to the Chairperson of the Board of Directors;</p> <p>123i. They are removed by a resolution of a majority of the Members of the Credit Union present at a special general meeting called for that purpose by the Board of Directors or by the Members provided that such an Officer shall be given at least 14 days' notice of the meeting and of the intention to remove him or her from office;</p>

	<p>129. The Credit Union shall have a supervisory committee. The Board of Directors and the supervisory committee shall agree the Terms of Reference of the supervisory committee. Members of the supervisory committee shall not be members of the Board of Directors, or any other permanent committee of the Credit Union, or be employed by the Credit Union, and shall be elected in accordance with the provisions of these Rules.</p> <p>130. If a vacancy occurs on the supervisory committee its remaining number shall have the power to co-opt a replacement for the remaining term of office. The supervisory committee shall be notified of all meetings of the Credit Union and be entitled to attend such meetings, including meetings of the Board of Directors of the Credit Union. The supervisory committee shall report each year to the annual general meeting.</p> <p>131. The supervisory committee has the power to recommend to the Board that the internal audit function be outsourced. The supervisory committee shall be responsible for ensuring that the internal audit function is performed in accordance with prescribed terms of reference.</p>	<p>129. The Credit Union shall have an Audit Committee. Membership of the Audit Committee will consist of a minimum of two and a maximum of three directors, the Chief Executive\most Senior Manager of the credit union or their appointed deputy and the Internal Auditor or their appointed representative. One director will be elected by the Board of Directors as the Chairperson of the Audit Committee. The Audit Committee, with the permission of the Board of Directors, shall have the power to appoint others as it sees fit and necessary to ensure that it is able to carry out its duties.</p> <p>130. The Board of Directors shall agree and set the Terms of Reference under which the Audit Committee operates. The Audit Committee will be responsible for monitoring the Credit Union's outsourced internal and external audit functions and regulatory reporting, ensuring that they are performed in accordance with prescribed terms of reference. The Committee will report to the meetings of the Board of Directors and make recommendations to the Board on these matters.</p> <p>131. The Audit Committee will report each year to the annual general meeting.</p>
<p>Suspension of Supervisory Committee Rule 133 and 134 Rescind rules appertaining to supervisory committee</p>	<p>133. The Board of Directors may, by a majority vote of the entire membership of the Board at a special meeting called for the purpose, suspend from office the supervisory committee or any of its members, for any grave and sufficient reason.</p> <p>134. Whenever a member(s) of the supervisory committee has been suspended from office under the preceding rule, and within 7 days of said suspension has not submitted their resignation, the Board of Directors shall convene a special general meeting of the Credit Union to be held not later than 30 days after the suspension. If a majority of the members present at such</p>	<p>133. Rule rescinded</p> <p>134. Rule rescinded</p>

	<p>a meeting so signify by secret ballot they may:</p> <ul style="list-style-type: none"> a. Ratify the suspension and remove from office the person so suspended and shall determine the manner in which the vacancy caused by the suspension shall be filled, and shall fill the vacancy at such 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 Board of Directors) and determine the manner in which the vacancy caused by the removal shall be filled. <p>Provided, however, that no person shall be removed from office under this rule without being given an opportunity of being represented or being heard at a special general meeting of which he or she shall be given 14 days' notice in Writing.</p>	
<p>Special general meeting called by the credit union Rule 83 Removing reference to 'supervisory committee'</p>	<p>83. Any general meeting of the Credit Union other than an annual general meeting shall be a special general meeting. The Board of Directors or the supervisory committee of the Credit Union may for good reason convene a special general meeting for any purposes not specifically provided for elsewhere in these Rules.</p>	<p>83. Any general meeting of the Credit Union other than an annual general meeting shall be a special general meeting. The Board of Directors of the Credit Union may for good reason convene a special general meeting for any purposes not specifically provided for elsewhere in these Rules.</p>
<p>Inspection of accounts Rule 146 Removing reference to 'supervisory committee' and replacing with 'audit committee'</p>	<p>146. All books of account and other records of the Credit Union shall at all reasonable times be available for inspection by the auditor, the Board of Directors, supervisory committee, or other persons duly authorised on their behalf.</p>	<p>146. All books of account and other records of the Credit Union shall at all reasonable times be available for inspection by the auditor, the Board of Directors, audit committee, or other persons duly authorised on their behalf.</p>

