

STEELSANDS CREDIT UNION
Minutes of Special Meeting
14th March 2019 of Members of Steelsands Credit Union held at
Lion's Den Belgium Street Waiuku 7pm

Chair Open Meeting 7.04 pm

1. Appointment of Chair Paul Eves in the absence of Slavica Marsic

The Chairman Introduce Board members present, Bhikhu Bhana and Bruce Ross

The Chairman introduced Guests, Carol Cook & Igor Viner (Covenant our Supervisors), Bernard Lamusse (PKFH Auditors) Gavin Earle (NZCU Baywide CEO), Joelle Grace (Lane Neave), Tania Dickie (NZCU South CEO) and Graham Prior (Board member ACU)

2. Attendees: As per Signed Register – 22 qualifying

Apologies from Slavica Marsic, Dean Ronald, Stefan Cocks, Trevor James, Jean Batty, Anne Lee, Sharleen Tapsell, Angela Tapsell, Dawn Hudson, Ian Taylor Baywide Moved by Ivy Tapsell/John Varney

Carried

Introduce others online – NZCU Marsden point and NZCU Alliance.

3. Declare a quorum 15 Members - The Rules of the Credit Union requires 15 members to be present to constitute a quorum.

4. Scrutineering - Moved that Bernard Lamusse PKFH Auditors be approved as Head Scrutineer Paul Eves/ John Varney

Carried

Paul Eves briefed the members and the process for voting and recording votes. Bernard Lamusse confirmed that a decision can be confirmed by the end of the meeting. Paul summarised the journey for the board deciding to recommend a TOE to Steelsands Members. Carol Cook (motioned) Paul Eves to read 1. Special resolution moved by Paul Eves/Katrina Laker not carried open for discussion.

1.The business of the special meeting is to consider, and if thought fit to pass, the following resolutions:

- 1. Special Resolution: That Steelsands Credit Union (the Credit Union) transfers all of its engagements to Credit Union Baywide and to this end:
 - the Board of Steelsands Credit Union is authorised and directed to enter into all documentation necessary to effect the same; and
 - the Supervisor for Steelsands Credit Union is authorised to take such steps as may be necessary to effect the transfer of the Credit Unions' engagements, including releasing its security over the assets of the Credit Union.

5. Bruce Ross Roadshows – Roadshows were well attended at 3 main branches, Bruce Ross and Gavin Earle attended the second round of Roadshows. Bruce displayed some questions from members see slide 5.

If the TOE is Approved what Happens?

From the members point of view, very little;

1. We will continue to operate as normal during the transition period.
2. Branches will stay open and people you deal with will stay the same.
3. Our membership will have access to new products and services
4. We can generate cost savings and financial benefits in future years

5. The new credit union will invest in technology, so our members have better internet and mobile banking services

6. As a larger credit union we have a more stable future focused on the credit union way of 'people helping people'

IMPORTANTLY

7. We have secured a seat on the new board so the views of our membership are retained

8. We have secured a \$100,000 per year community grant to support our Steelsands member communities

If the TOE is Not Approved what happens?

Steelsands CU continues to operate, however as a small credit union we face a number of challenges;

1. Profitability challenges

2. Increasing Operational costs. This is likely to impact member benefits;

a. **Reduced interest rates on member savings accounts**

b. **Increased interest rates on member loans**

c. **Increased fees charged to our membership**

3. Limitations on how we can continue to grow

a. Ability to pay for changes to improve member services e.g. internet and mobile banking

b. Limited ability to develop new, and improve existing lending and savings products for our membership

As a smaller credit union we continue to face challenges with our capital adequacy ratio

The Capital Adequacy Ratio is a measure of financial strength where available capital is expressed as a percentage of a credit unions risk weighted credit exposure.

- Steelsands Credit Union Capital Ratio is 12.5%

- Steelsands Credit Union Trust Deed Capital Ratio is 12.0 %

- As at 31 December 2018 our Capital Ratio is 12.3%

Paul Eves, open floor for Members questions and discussion. Paul Eves then requested all ballot paper to be put in the voting box.

6. Paul Eves, read the Resolution:

2. Ordinary Resolution: Election of Trustee (show of hands)

- That the members note the resignation of Bruce Ross as Trustee and elect Slavica Marsic as Trustee with immediate effect. Moved by

Bernard questioned if the vote by proxy or postal counted, Paul requested a show of hands;

For: 22 people show of hands Against: 0

Moved by Paul Eves /Judith Wootten

7. General Business

Open floor for general business discussion.

Paul Eves Closed the meeting 8.18pm

Certified as true and accurate record of the Meeting by Paul Eves