

2020 AGM: Proposed Rule Book Changes

**1 Introduction**

Members are asked to approve the following changes to the Scotwest Credit Union Rule Book.

The proposed changes are noted below with proposed additions noted in green and proposed deletions struck through in red.

**2 Proposed Rule Changes**

Common Bond

**Rule 10.5** – addition to our named employers in line with our marketing strategy.

Membership

**Rule 20.11** – expansion of the rule to provide ability to the Executive to summarily expel members in the following circumstances:

- where any Financial Crime is known or suspected to have been committed
- where members have been abusive, aggressive or acted inappropriately towards a member of staff

Governance

**Rule 30.3** – clarification of the rule to make clear that attendance at General Meetings may be either in person or remotely via other means, whilst maintaining the current provision that members not in attendance may not vote. Additional removal of gendered language.

Board of Directors – Constitution

**Rule 40.4** – clarification of the rule with regard to members who are excluded from standing for election to the Board of Directors, particularly those with adverse financial histories.

Directors

**Rule 60.5** – clarification of the rule with regard to circumstances where serving Directors are required to stand down due to adverse financial circumstances, particularly when they are sequestered, declared bankrupt, enter into a Protected Trust Deed or any other legal debt arrangement. Additional minor wording change also.

**3 Common Bond Rule 10.5 Named Employers**

<b>Current Rule</b>	<b>Proposed Rule</b>
<p><b>10.5 Named Employers</b></p> <ul style="list-style-type: none"> <li>• 1 Call Direct Limited</li> <li>• Aberdeen International Airport Limited</li> <li>• Aberlour Childcare Trust</li> <li>• Action for Children</li> <li>• Addaction</li> <li>• Advanced Group (Scotland) Ltd</li> <li>• The Advisory Group</li> <li>• Affinity Trust</li> <li>• Affordable Cremations Scotland (Trading as Caledonia Cremation)</li> <li>• AG Barr Plc</li> <li>• AGS Airports</li> <li>• Albert Bartlett &amp; Sons (Airdrie) Ltd</li> <li>• Alzheimer Scotland – Action on Dementia</li> <li>• Amey</li> <li>• Arnold Clark</li> <li>• Ashurst</li> <li>• Barnardos</li> <li>• Barr Holdings Ltd</li> <li>• Barrhead Travel Service Ltd</li> <li>• Bield Housing &amp; Care</li> <li>• Blackwood Homes and Care</li> <li>• Blazing Griffin</li> <li>• Blue Triangle (Glasgow) Housing Association Limited</li> <li>• British Polythene Industries</li> <li>• The British Red Cross Society</li> <li>• C-Change Scotland</li> <li>• Capability Scotland</li> <li>• Carr Gomm</li> <li>• Children 1st</li> <li>• Citizens Advice Direct</li> <li>• City Refrigeration Holdings (UK) Ltd</li> <li>• ClinTec International Limited</li> <li>• Clark Contracts</li> <li>• Coca Cola Enterprises East Kilbride</li> <li>• Common Thread</li> <li>• Community Integrated Care</li> <li>• Community Renewal</li> <li>• Cornerstone Community Care</li> </ul>	<p><b>10.5 Named Employers</b></p> <ul style="list-style-type: none"> <li>• 1 Call Direct Limited</li> <li>• Aberdeen International Airport Limited</li> <li>• Aberlour Childcare Trust</li> <li>• Action for Children</li> <li>• Addaction</li> <li>• Advanced Group (Scotland) Ltd</li> <li>• The Advisory Group</li> <li>• Affinity Trust</li> <li>• Affordable Cremations Scotland (Trading as Caledonia Cremation)</li> <li>• AG Barr Plc</li> <li>• AGS Airports</li> <li>• Albert Bartlett &amp; Sons (Airdrie) Ltd</li> <li>• Alzheimer Scotland – Action on Dementia</li> <li>• Amey</li> <li>• Arnold Clark</li> <li>• Ashurst</li> <li>• Barnardos</li> <li>• Barr Holdings Ltd</li> <li>• Barrhead Travel Service Ltd</li> <li>• Bield Housing &amp; Care</li> <li>• Blackwood Homes and Care</li> <li>• Blazing Griffin</li> <li>• Blue Triangle (Glasgow) Housing Association Limited</li> <li>• British Polythene Industries</li> <li>• The British Red Cross Society</li> <li>• C-Change Scotland</li> <li>• Capability Scotland</li> <li>• Carr Gomm</li> <li>• Children 1st</li> <li>• Citizens Advice Direct</li> <li>• City Refrigeration Holdings (UK) Ltd</li> <li>• ClinTec International Limited</li> <li>• Clark Contracts</li> <li>• Coca Cola Enterprises East Kilbride</li> <li>• Common Thread</li> <li>• Community Integrated Care</li> <li>• Community Renewal</li> <li>• Cornerstone Community Care</li> </ul>

**3 Common Bond Rule 10.5 Named Employers (cont)**

Current Rule	Proposed Rule
<p><b>10.5 Named Employers</b></p> <ul style="list-style-type: none"> <li>• Cosgrove Care Ltd</li> <li>• Creditfix</li> <li>• Crossreach</li> <li>• Crossroads Caring Scotland</li> <li>• Cube Housing Association</li> <li>• Dalziel Ltd</li> <li>• Dawn Fresh</li> <li>• Deafblind Scotland</li> <li>• Dentons</li> <li>• Doosan Power Systems Ltd.</li> <li>• Douglas Laing and Co Ltd</li> <li>• Down’s Syndrome Scotland</li> <li>• Enable Scotland</li> <li>• First Milk Ltd</li> <li>• Glasgow Airport</li> <li>• Includem</li> <li>• Kent Foods Ltd</li> <li>• Key Housing Association Limited</li> <li>• Lockheed Martin</li> <li>• Macfarlane Group Plc</li> <li>• Mackenzie Construction</li> <li>• Malcolm Group Ltd</li> <li>• McCurrach Group Ltd</li> <li>• McQueens Dairies</li> <li>• Morgan Sindall</li> <li>• The National Autistic Society</li> <li>• National Deaf Children’s Society</li> <li>• National Society for the Prevention of Cruelty to Children</li> <li>• nPower</li> <li>• Neighbourhood Networks</li> <li>• Penumbra</li> <li>• Phoenix House</li> <li>• Quarriers</li> <li>• Real Life Options</li> <li>• Richmond Fellowship Scotland Ltd</li> <li>• RJ McLeod (Contractors) Ltd</li> <li>• Sacro</li> <li>• Saltire Facilities Management</li> <li>• Scottish Association for Mental Health</li> </ul>	<p><b>10.5 Named Employers</b></p> <ul style="list-style-type: none"> <li>• Cosgrove Care Ltd</li> <li>• Creditfix</li> <li>• Crossreach</li> <li>• Crossroads Caring Scotland</li> <li>• Cube Housing Association</li> <li>• Dalziel Ltd</li> <li>• Dawn Fresh</li> <li>• Deafblind Scotland</li> <li>• Dentons</li> <li>• Doosan Power Systems Ltd.</li> <li>• Douglas Laing and Co Ltd</li> <li>• Down’s Syndrome Scotland</li> <li>• Enable Scotland</li> <li>• First Milk Ltd</li> <li>• Glasgow Airport</li> <li>• Includem</li> <li>• Kent Foods Ltd</li> <li>• Key Housing Association Limited</li> <li>• Lockheed Martin</li> <li>• Macfarlane Group Plc</li> <li>• Mackenzie Construction</li> <li>• Malcolm Group Ltd</li> <li>• McCurrach Group Ltd</li> <li>• McQueens Dairies</li> <li>• Morgan Sindall</li> <li>• The National Autistic Society</li> <li>• National Deaf Children’s Society</li> <li>• National Society for the Prevention of Cruelty to Children</li> <li>• nPower</li> <li>• Neighbourhood Networks</li> <li>• Penumbra</li> <li>• Phoenix House</li> <li>• Quarriers</li> <li>• Real Life Options</li> <li>• Richmond Fellowship Scotland Ltd</li> <li>• RJ McLeod (Contractors) Ltd</li> <li>• Sacro</li> <li>• Saltire Facilities Management</li> <li>• Scottish Association for Mental Health</li> </ul>

**3 Common Bond Rule 10.5 Named Employers (cont)**

Current Rule	Proposed Rule
<p><b>10.5 Named Employers</b></p> <ul style="list-style-type: none"> <li>• Scottish Autism</li> <li>• Scottish Children’s Reporter Administration</li> <li>• Scottish Enterprise</li> <li>• Scottish War Blinded</li> <li>• Scottish Water</li> <li>• Seamab</li> <li>• Search Consultancy Ltd</li> <li>• Sense Scotland</li> <li>• Simon Community Scotland</li> <li>• Skills Development Scotland</li> <li>• Slater Menswear</li> <li>• Snowfactor</li> <li>• Scottish Fire and Rescue Service</li> <li>• SSE</li> <li>• Star Refrigeration Ltd</li> <li>• Terumo Aortic</li> <li>• Thistle Foundation</li> <li>• Trust Housing Association Ltd</li> <li>• Turner &amp; Co (Glasgow) Ltd</li> <li>• Turning Point Scotland</li> <li>• University of Glasgow</li> <li>• University of West of Scotland</li> <li>• VASCUTEK LTD</li> <li>• Weir Group PLC</li> <li>• Who Cares? Scotland</li> <li>• Enva</li> <li>• Woodward International, Inc</li> </ul>	<p><b>10.5 Named Employers</b></p> <ul style="list-style-type: none"> <li>• Scottish Autism</li> <li>• Scottish Children’s Reporter Administration</li> <li>• Scottish Enterprise</li> <li>• Scottish War Blinded</li> <li>• Scottish Water</li> <li>• Seamab</li> <li>• Search Consultancy Ltd</li> <li>• Sense Scotland</li> <li>• Simon Community Scotland</li> <li>• Skills Development Scotland</li> <li>• Slater Menswear</li> <li>• Snowfactor</li> <li>• Scottish Fire and Rescue Service</li> <li>• <b>SRS Care Solutions</b></li> <li>• SSE</li> <li>• Star Refrigeration Ltd</li> <li>• Terumo Aortic</li> <li>• Thistle Foundation</li> <li>• Trust Housing Association Ltd</li> <li>• Turner &amp; Co (Glasgow) Ltd</li> <li>• Turning Point Scotland</li> <li>• University of Glasgow</li> <li>• University of West of Scotland</li> <li>• VASCUTEK LTD</li> <li>• Weir Group PLC</li> <li>• Who Cares? Scotland</li> <li>• Enva</li> <li>• Woodward International, Inc</li> </ul>

4 Membership

Rule 20.11 Expulsion and Suspension from Membership

Current Rule	Proposed Rule
<p><b>20.11 Expulsion and Suspension from Membership</b></p> <p>A Member or Juvenile Depositor may be suspended, and subsequently expelled, from the Credit Union for any grave and sufficient reason including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Wilful breach of, or refusal to comply with, the Rules;</li> <li>• Divulging confidential information obtained by virtue of being a Member or Juvenile Depositor in whatever capacity of the Credit Union;</li> <li>• Deceiving the Credit Union with regard to the purpose of money borrowed or its subsequent use;</li> <li>• Default and continued refusal to honour a debt (the loan repayment terms of which had been agreed in a signed loan agreement);</li> <li>• Maliciously and knowingly spreading incorrect reports about the management of the Credit Union;</li> <li>• Wilfully making any entry, or error in, or omission from any system, record or return of the Credit Union with the intent to falsify it;</li> <li>• Actively working against the interests of the Credit Union and/or its membership;</li> <li>• Using the Credit Union as a vehicle for committing an offence under the Money Laundering Regulations 2017 or any subsequent legislation;</li> <li>• Committing an offence of dishonesty against the Credit Union, wilfully destroying or damaging records or other property of the Credit Union, or knowingly passing forged papers through the Credit Union;</li> </ul>	<p><b>20.11 Expulsion and Suspension from Membership</b></p> <p>A Member or Juvenile Depositor may be suspended, and subsequently expelled, from the Credit Union for any grave and sufficient reason including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Wilful breach of, or refusal to comply with, the Rules;</li> <li>• Divulging confidential information obtained by virtue of being a Member or Juvenile Depositor in whatever capacity of the Credit Union;</li> <li>• Deceiving the Credit Union with regard to the purpose of money borrowed or its subsequent use;</li> <li>• Default and continued refusal to honour a debt (the loan repayment terms of which had been agreed in a signed loan agreement);</li> <li>• Maliciously and knowingly spreading incorrect reports about the management of the Credit Union;</li> <li>• Wilfully making any entry, or error in, or omission from any system, record or return of the Credit Union with the intent to falsify it;</li> <li>• Actively working against the interests of the Credit Union and/or its membership;</li> <li>• Using the Credit Union as a vehicle for committing an offence under the Money Laundering Regulations 2017 or any subsequent legislation;</li> <li>• Committing an offence of dishonesty against the Credit Union, wilfully destroying or damaging records or other property of the Credit Union, or knowingly passing forged papers through the Credit Union;</li> </ul>

**4 Membership Rule 20.11 Expulsion and Suspension from Membership (cont)**

Current Rule	Proposed Rule
<p>• If, after admission as a Member or Juvenile Depositor of the Credit Union, their application form is found to include wilfully false or misleading information or any defect is discovered in their qualification for membership at the time of their admission which in the opinion of the Board of Directors is of such consequence as to justify expulsion;</p> <p>• Abusive behaviour towards the staff or volunteers of the Credit Union.</p> <p>Where such a grave and sufficient reason (as above) is suspected The Board of Directors, by resolution at Board Meeting, will commission the Chief Executive to appoint an investigating officer to carry out an investigation into the matter.</p> <p>Within 5 working days of their decision, the Board of Directors will write to the Member or Juvenile Depositor informing them of the investigation. Members will also be advised whether or not their membership has been suspended pending the outcome of said investigation.</p> <p>Where membership is suspended, the member temporarily loses their rights to attend, speak and vote at a General Meeting as well as their right to apply for or be granted any loans. Where the suspended Member is a Director or performs some other voluntary role within the Credit Union they will also be suspended from those duties. Where the suspended Member is an employee of the Credit Union consideration will be given to whether it is appropriate to carry out an investigation under the Credit Union’s staff Disciplinary Policy.</p> <p>The investigation will provide the Member or Juvenile Depositor with a reasonable opportunity to address the allegation with the investigating officer. Failure of the individual to engage with this opportunity or to do so timeously will not prevent the investigation</p>	<p>• If, after admission as a Member or Juvenile Depositor of the Credit Union, their application form is found to include wilfully false or misleading information or any defect is discovered in their qualification for membership at the time of their admission which in the opinion of the Board of Directors is of such consequence as to justify expulsion;</p> <p>• Abusive behaviour towards the staff or volunteers of the Credit Union.</p> <p>Where such a grave and sufficient reason (as above) is suspected The Board of Directors, by resolution at Board Meeting, will commission the Chief Executive to appoint an investigating officer to carry out an investigation into the matter.</p> <p>Within 5 working days of their decision, the Board of Directors will write to the Member or Juvenile Depositor informing them of the investigation. Members will also be advised whether or not their membership has been suspended pending the outcome of said investigation.</p> <p>Where membership is suspended, the member temporarily loses their rights to attend, speak and vote at a General Meeting as well as their right to apply for or be granted any loans. Where the suspended Member is a Director or performs some other voluntary role within the Credit Union they will also be suspended from those duties. Where the suspended Member is an employee of the Credit Union consideration will be given to whether it is appropriate to carry out an investigation under the Credit Union’s staff Disciplinary Policy.</p> <p>The investigation will provide the Member or Juvenile Depositor with a reasonable opportunity to address the allegation with the investigating officer. Failure of the individual to engage with this opportunity or to do so timeously will not prevent the investigation</p>

**4 Membership**

**Rule 20.11 Expulsion and Suspension from Membership (cont)**

Current Rule	Proposed Rule
<p>either proceeding or reaching a conclusion based on the evidence available.</p> <p>The results of the investigation will be presented to the Board of Directors at a duly convened meeting and, following a vote, they will pass a resolution which will be limited to the following:</p> <ul style="list-style-type: none"> <li>• Dismissal of the allegation and, where appropriate, lifting of any suspension; or</li> <li>• Acceptance of the allegation and application of the sanction of either (a) expulsion from membership (either permanently or for a specified period of time) or (b) suspension of membership (for a stated period of time); and</li> <li>• Whether the wrong doing requires to be reported to an external body (e.g. The Police).</li> </ul> <p>Within 5 working days of their decision, the Board of Directors will write to the Member or Juvenile Depositor informing them of the outcome of the investigation and, where appropriate, the sanctions applied. The letter will also provide the Member with details of the appeal process and confirmation that the sanctions applied will not become effective until 30 days after the date of posting the letter or until the result of any appeal, if any, whichever is the later, during which period the Member will be suspended. (In the case of Juvenile Depositors, the decision of the Board of Directors is final and there is no right of appeal.)</p> <p>Upon receipt of the letter, the Member will have 14 days in which to register that they wish to appeal the decision. If they do so, the appeal will be held at a specially convened meeting of the Board of Directors at which the Member will be entitled to attend and be heard. At the conclusion of the appeal there will be a vote and the Board will pass resolution either:</p>	<p>either proceeding or reaching a conclusion based on the evidence available.</p> <p>The results of the investigation will be presented to the Board of Directors at a duly convened meeting and, following a vote, they will pass a resolution which will be limited to the following:</p> <ul style="list-style-type: none"> <li>• Dismissal of the allegation and, where appropriate, lifting of any suspension; or</li> <li>• Acceptance of the allegation and application of the sanction of either (a) expulsion from membership (either permanently or for a specified period of time) or (b) suspension of membership (for a stated period of time); and</li> <li>• Whether the wrong doing requires to be reported to an external body (e.g. The Police).</li> </ul> <p>Within 5 working days of their decision, the Board of Directors will write to the Member or Juvenile Depositor informing them of the outcome of the investigation and, where appropriate, the sanctions applied. The letter will also provide the Member with details of the appeal process and confirmation that the sanctions applied will not become effective until 30 days after the date of posting the letter or until the result of any appeal, if any, whichever is the later, during which period the Member will be suspended. (In the case of Juvenile Depositors, the decision of the Board of Directors is final and there is no right of appeal.)</p> <p>Upon receipt of the letter, the Member will have 14 days in which to register that they wish to appeal the decision. If they do so, the appeal will be held at a specially convened meeting of the Board of Directors at which the Member will be entitled to attend and be heard. At the conclusion of the appeal there will be a vote and the Board will pass resolution either:</p>

**4 Membership                      Rule 20.11 Expulsion and Suspension from Membership (cont)**

Current Rule	Proposed Rule
<ul style="list-style-type: none"> <li>• Overturning the original decision and sanctions;</li> <li>• Upholding the original decision but amending the sanctions; or</li> <li>• Upholding the original decision and sanctions.</li> </ul> <p>This decision is final and there is no further appeal process.</p> <p>At any time during the above process a Member may withdraw from Membership in accordance with Rule 20.10, and whilst this removes the ability of the Credit Union to apply sanctions, the Credit Union reserves the right to continue the investigation in order to determine whether the allegation was correct and whether it is of a nature which requires to be reported to an external body.</p> <p>Where a Member is suspended or expelled, the liability remains as per Rule 20.12</p> <p>Members may also be expelled through Dormancy as defined by rule 20.13.</p> <p>Members who have either defrauded or attempted to defraud the credit union may be summarily expelled from the credit union without recourse to appeal. The Board will maintain policies and procedures to invoke that provision.</p> <p>Ex-members who have either defrauded, attempted to defraud or who have an outstanding liability to the credit union, may be prohibited from re-joining the credit union without recourse to appeal. The Board will maintain policies and procedures to invoke that provision.</p>	<ul style="list-style-type: none"> <li>• Overturning the original decision and sanctions;</li> <li>• Upholding the original decision but amending the sanctions; or</li> <li>• Upholding the original decision and sanctions.</li> </ul> <p>This decision is final and there is no further appeal process.</p> <p>At any time during the above process a Member may withdraw from Membership in accordance with Rule 20.10, and whilst this removes the ability of the Credit Union to apply sanctions, the Credit Union reserves the right to continue the investigation in order to determine whether the allegation was correct and whether it is of a nature which requires to be reported to an external body.</p> <p>Where a Member is suspended or expelled, the liability remains as per Rule 20.12</p> <p>Members may also be expelled through Dormancy as defined by rule 20.13.</p> <p>Members <del>who have</del> may be summarily expelled from the Credit Union without recourse to appeal if they:</p> <ul style="list-style-type: none"> <li>• Are known to have or are suspected to have used Scotwest to commit an act of Financial Crime; or</li> <li>• Have been abusive, aggressive or acted inappropriately towards a member of staff.</li> </ul> <p><del>either defrauded or attempted to defraud the credit union may be summarily expelled from the credit union without recourse to appeal. The Board will maintain policies and procedures to invoke that provision.</del></p> <p><del>Ex-members who have either defrauded, attempted to defraud or who have an outstanding liability to the credit union, may be prohibited from re-joining the credit union without recourse to appeal. The Board will</del></p>

2020 AGM: Proposed Rule Book Changes

**4 Membership                      Rule 20.11 Expulsion and Suspension from Membership (cont)**

Current Rule	Proposed Rule
	<del>maintain policies and procedures to invoke that provision.</del>

**5 Governance                      Rule 30.3 General Meetings**

Current Rule	Proposed Rule
<p><b>30.3 General Meetings</b></p> <p>Member meetings of the Credit Union shall be either in the form of an Annual General Meeting or a Special General Meeting.</p> <p>At least one General Meeting, in the form of an Annual General Meeting, will be held each year.</p> <p>Every Member holding at least the minimum shareholding shall be entitled to attend such General Meetings on the production of such evidence as the Board of Directors may from time to time determine.</p> <p>Each Member of the Credit Union shall hold one vote only irrespective of the size of their shareholding in the Credit Union or the number of accounts held.</p> <p>The right to vote by a Member shall be held by:</p> <p>i. in the case of an individual Member, the individual;</p> <p>ii. in the case of an unincorporated association, the Designated Representative or Partner;</p> <p>iii. in the case of an incorporated body, the Corporate Representative.</p> <p>A Member of the Credit Union may not vote by proxy at a General Meeting of the Credit Union.</p> <p>A Member is able to exercise the right to speak and vote at a General Meeting of the Credit Union and is deemed to be in attendance when</p>	<p><b>30.3 General Meetings</b></p> <p>Member meetings of the Credit Union shall be either in the form of an Annual General Meeting or a Special General Meeting.</p> <p>At least one General Meeting, in the form of an Annual General Meeting, will be held each year.</p> <p>Every Member holding at least the minimum shareholding shall be entitled to attend such General Meetings on the production of such evidence as the Board of Directors may from time to time determine.</p> <p>Each Member of the Credit Union shall hold one vote only irrespective of the size of their shareholding in the Credit Union or the number of accounts held.</p> <p>The right to vote by a Member shall be held by:</p> <p>i. in the case of an individual Member, the individual;</p> <p>ii. in the case of an unincorporated association, the Designated Representative or Partner;</p> <p>iii. in the case of an incorporated body, the Corporate Representative.</p> <p>A Member of the Credit Union may not vote by proxy at a General Meeting of the Credit Union.</p> <p>A Member is able to exercise the right to speak and vote at a General Meeting of the Credit Union and is deemed to be in attendance when</p>

**5 Governance Rule 30.3 General Meetings (cont)**

Current Rule	Proposed Rule
<p>they and all those attending the meeting are in a position to communicate with each other. Electronic voting from outside the venue where the Meeting is taking place is not permissible.</p> <p>Every General Meeting shall have a Chairperson, who shall be entitled to vote. Where the number of votes cast is equal the Chairperson shall also have a casting vote. The Chairperson of the Credit Union shall, if present, take the Chair at general meetings. If the Chairperson is not present, the Vice Chairperson shall do so and if he/she is not present then the members of the Board present at the meeting shall elect one from their number to do so.</p> <p>No business shall be transacted at a General Meeting unless a quorum is present. A quorum shall be the lower of 10 per cent of the membership or 15 Members. If within half an hour after the time appointed for the meeting to commence a quorum is not present then the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case the meeting shall be adjourned until a later date within 30 days of the meeting at which the adjournment took place. The Members present at a meeting so adjourned shall constitute a quorum; however, no business shall be transacted at such a meeting other than the business left unfinished at the meeting at which the adjournment took place.</p> <p>No meeting shall become unable to conduct business from the want of a quorum arising after the Chair has been taken.</p>	<p>they and all those attending the meeting are in a position to communicate with each other, <b>which may either be in person or remotely.</b> Electronic voting <del>from outside the venue where the Meeting is taking place is not permissible</del> <b>is not permissible by members not attending the meeting.</b></p> <p>Every General Meeting shall have a Chairperson, who shall be entitled to vote. Where the number of votes cast is equal the Chairperson shall also have a casting vote. The Chairperson of the Credit Union shall, if present, take the Chair at general meetings. If the Chairperson is not present, the Vice Chairperson shall do so and if he/she is not present then the members of the Board present at the meeting shall elect one from their number to do so.</p> <p>No business shall be transacted at a General Meeting unless a quorum is present. A quorum shall be the lower of 10 per cent of the membership or 15 Members. If within half an hour after the time appointed for the meeting to commence a quorum is not present then the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case the meeting shall be adjourned until a later date within 30 days of the meeting at which the adjournment took place. The Members present at a meeting so adjourned shall constitute a quorum; however, no business shall be transacted at such a meeting other than the business left unfinished at the meeting at which the adjournment took place.</p> <p>No meeting shall become unable to conduct business from the want of a quorum arising after the Chair has been taken.</p>

Current Rule	Proposed Rule
<p><b>40.4 Eligibility for Nomination</b></p> <p>All nominees for election to the Board of Directors must be Members of Scotwest Credit Union.</p> <p>A Member should not allow their name to be put forward for nomination if they know of any substantive reason why they may not be regarded as 'fit and proper' to be authorised as an Approved Person by the Regulator.</p> <p>A Member may not stand for election if they:</p> <ul style="list-style-type: none"> <li>• are an employee of Scotwest (or any other) Credit Union;</li> <li>• are a Director of another Credit Union;</li> <li>• are a Director or Employee of a Credit Union Trade Body to which Scotwest is not affiliated;</li> <li>• have, at any time, been declared bankrupt, entered a Debt Arrangement Scheme, Trust Deed or any such other legal arrangement with their creditors; or</li> <li>• have, at any time, been disqualified under the Directors Disqualification Act 1986; or</li> <li>• have, at any time, been convicted of any offence involving fraud or dishonesty; or</li> <li>• are judged by a medical practitioner to be physically or mentally incapable of acting in the role of a Director; or</li> <li>• by reason that due to their mental health, they are subject to a court order which wholly or partly prevents them from personally exercising any powers or rights which that person would otherwise have; or</li> <li>• are unwilling or unlikely to achieve the required level of competence as per Rule 60.3</li> </ul>	<p><b>40.4 Eligibility for Nomination</b></p> <p>All nominees for election to the Board of Directors must be Members of Scotwest Credit Union.</p> <p>A Member should not allow their name to be put forward for nomination if they know of any substantive reason why they may not be regarded as 'fit and proper' to be authorised as an Approved Person by the Regulator.</p> <p>A Member may not stand for election if they:</p> <ul style="list-style-type: none"> <li>• are an employee of Scotwest (or any other) Credit Union;</li> <li>• are a Director of another Credit Union;</li> <li>• are a Director or Employee of a Credit Union Trade Body to which Scotwest is not affiliated;</li> <li>• <del>have, at any time, been declared bankrupt, entered a Debt Arrangement Scheme, Trust Deed or any such other legal arrangement with their creditors; or</del></li> <li>• are currently subject to Bankruptcy, Sequestration, a Protected Trust Deed or any other legal arrangement, or have been discharged within the last 12 months; or</li> <li>• have, at any time, been disqualified under the Directors Disqualification Act 1986; or</li> <li>• have, at any time, been convicted of any offence involving fraud or dishonesty; or</li> <li>• are judged by a medical practitioner to be physically or mentally incapable of acting in the role of a Director; or</li> <li>• by reason that due to their mental health, they are subject to a court order which wholly or partly prevents them from personally</li> </ul>

**6 Board of Directors - Constitution Rule 40.4 Eligibility for Nomination (cont)**

Current Rule	Proposed Rule
<p>Where the Nominations Committee, formed under Rule 40.3, believes that a Member putting them self forward for election should not do so under the clauses set out in this Rule, they have the authority not to allow the Member’s nomination to be put forward. If the Member wishes to challenge this decision, then the matter will be added to the agenda of the next General Meeting (at which vote will be held to either ratify or overturn the Nominations Committee decision (Such a vote being decided by a majority show of hands)).</p>	<p>exercising any powers or rights which that person would otherwise have; or</p> <ul style="list-style-type: none"> <li>• are unwilling or unlikely to achieve the required level of competence as per Rule 60.3</li> </ul> <p>Where the Nominations Committee, formed under Rule 40.3, believes that a Member putting them self forward for election should not do so under the clauses set out in this Rule, they have the authority not to allow the Member’s nomination to be put forward. If the Member wishes to challenge this decision, then the matter will be added to the agenda of the next General Meeting (at which vote will be held to either ratify or overturn the Nominations Committee decision (Such a vote being decided by a majority show of hands)).</p>

**7 Directors Rule 60.5 Vacation of Office**

Current Rule	Proposed Rule
<p><b>60.5 Vacation of Office</b></p> <p>A Director automatically vacates office at the end of their three-year (or exceptional one year) term (see Rule 60.1).</p> <p>A Director may vacate their office by resigning in writing to the Chair of the Board of Directors (or by such other communication as is appropriate in the circumstances).</p> <p>Any Director who, without special leave of absence, fails to attend 3 consecutive meetings shall, if the Board of Directors so resolve, be deemed to have vacated their office with immediate effect. Any request for special leave of absence must be considered at duly constituted meeting of the Board of Directors.</p> <p>At any point during their appointment a Director must immediately resign their post if:</p>	<p><b>60.5 Vacation of Office</b></p> <p>A Director automatically vacates office at the end of their three-year (or exceptional one year) term (see Rule 60.1).</p> <p>A Director may vacate their office by resigning in writing to the Chair of the Board of Directors (or by such other communication as is appropriate in the circumstances).</p> <p>Any Director who, without special leave of absence, fails to attend 3 consecutive meetings shall, if the Board of Directors so resolve, be deemed to have vacated their office with immediate effect. Any request for special leave of absence must be considered at duly constituted meeting of the Board of Directors.</p> <p>At any point during their appointment a Director must immediately resign their post if:</p>

Current Rule	Proposed Rule
<ul style="list-style-type: none"> <li>• they cease to be a member of the Credit Union; or</li> <li>• their Approved Person status is withdrawn or suspended by the Regulator or they know of any substantive reason why they may no longer be regarded as 'fit and proper' to be authorised as an Approved Person by the Regulator; or</li> <li>• they become an employee of the Scotwest (or any other) Credit Union (with the exception of Rule 60.9); or</li> <li>• they become a Director or Employee of a Credit Union Trade Body to which Scotwest is not affiliated;</li> <li>• they become a Director of another Credit Union; or</li> <li>• are declared bankrupt, enter into a Debt Arrangement Scheme, Trust Deed or any such other legal arrangement with their creditors; or</li> <li>• are disqualified under the Directors Disqualification Act 1986; or</li> <li>• are convicted of any offence involving fraud or dishonesty; or</li> <li>• are judged by a medical practitioner to be physically or mentally incapable of acting in the role of a Director; or</li> <li>• by reason of their mental health, become subject to a court order which wholly or partly prevents them from personally exercising any powers or rights which that person would otherwise have.</li> </ul>	<ul style="list-style-type: none"> <li>• they cease to be a member of the Credit Union; or</li> <li>• their Approved Person status is withdrawn or suspended by the Regulator or they know of any substantive reason why they may no longer be regarded as 'fit and proper' to be authorised as an Approved Person by the Regulator; or</li> <li>• they become an employee of <del>the</del> Scotwest <del>{or any other}</del> Credit Union (with the exception of Rule 60.9); or</li> <li>• they become a Director or Employee of a Credit Union Trade Body to which Scotwest is not affiliated;</li> <li>• they become a Director of another Credit Union; or</li> <li>• are <b>sequestered</b>, declared bankrupt, enter into a <del>Debt Arrangement Scheme</del>, Protected Trust Deed or any <del>such</del> other legal <b>debt</b> arrangement <del>with—their</del> <b>creditors</b>; or</li> <li>• are disqualified under the Directors Disqualification Act 1986; or</li> <li>• are convicted of any offence involving fraud or dishonesty; or</li> <li>• are judged by a medical practitioner to be physically or mentally incapable of acting in the role of a Director; or</li> <li>by reason of their mental health, become subject to a court order which wholly or partly prevents them from personally exercising any powers or</li> </ul>

**7 Directors**

**Rule 60.5 Vacation of Office (cont)**

<b>Current Rule</b>	<b>Proposed Rule</b>
<p>If any of the above circumstances apply, but the Director either does not, or is unable to resign with immediate effect, the Board of Directors can remove them by a majority vote (see Rule 60.7).</p>	<p style="text-align: center;">rights which that person would otherwise have.</p> <p>If any of the above circumstances apply, but the Director either does not, or is unable to resign with immediate effect, the Board of Directors can remove them by a majority vote (see Rule 60.7).</p>