



DIRECTOR NOMINATIONS COMMITTEE TERMS OF REFERENCE

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TABLE OF AMENDMENTS

VERSION	RELEASE DATE	DESCRIPTION/HISTORY	APPROVED BY
1.0	28 July 2005	New Committee Structure	Board
2.0	29 June 2006	Annual review	Board
3.0	28 June 2007	Annual Review	Board
4.0	29 May 2008	Annual Review	Board

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1 INTRODUCTION

1.1 Document Purpose

The purpose of this document is to describe the role and responsibilities of the Credit Union's Director Nomination Committee.

1.2 Prudential Regulation

APS510 – Fit and Proper.

1.3 Board Approval

Our Board of Directors adopted these Terms of Reference on TBA.

1.4 Effective Date

The effective date of these Terms of Reference is TBA.

1.5 Review

The Board reviews and amends these Terms of Reference every 2 years or as required.

1.6 Nomenclature

The terms Service One Credit Union Ltd, the Credit Union, SOCU, SOMB and Service One Members Banking are used interchangeably.

2 TERMS OF REFERENCE

2.1 Committee Purpose

The Director Nominations Committee (“DNC”) is composed of two independent members assisted by the Board Chair and established by the Board of Service One Members Banking Ltd (SOMB) to undertake reviews of members seeking to become candidates for election as a director of SOMB.

2.2 Duties and Scope

The Committee will review, annually, the current performance, skills and balance of the Board. In doing so the Committee shall take into account the skills, knowledge, experience and diversity represented on the Board.

Based on that review the Committee shall make a recommendation as to whether the Board’s performance or balance could be improved by seeking particular candidates for that year’s Board elections.

The DNC will assess all persons, including existing directors, prior to appointment or election as a director, to determine their capability and appropriateness to be a director of SOMB by reference to:

- the Credit Union Constitution;
- the Board’s Fit and Proper Policy;
- APRA’s Prudential Standards;
- the Board’s Director Training and Development Policy;
- the results of an independent skills and performance assessment of the Board and Directors; and
- where necessary, referees reports on candidates.

Other than as described at Clause 2.5 of these Terms of Reference Committee members must keep confidential any assessment made during their appointment. The DNC will recommend to the Board which candidates should be endorsed by the Board for election. In making their recommendation the DNC will determine if all, some or none of the candidates should be endorsed to the members as “Preferred Candidates” by the Board.

Notwithstanding the above, a member properly nominated and being deemed fit and proper by the DNC but not being a “Preferred Candidate” remains eligible to stand in the ballot for the election of Director.

2.3 Composition and Remuneration

The DNC shall be comprised of three members:

- The Board Chair except when the Chair is due for election in which case another Director will be elected to take this position for one year; and
- Two other persons with an overall mix of skills, knowledge and experience who are not Directors or employees of SOMB.

The Chair of the Board shall be the Chair of the Committee. If the Chair is standing for election, the Chair of the Committee will be the Director on the Committee.

The Board will set the remuneration for the non-Director members of the Committee.

2.4 Secretarial Support

The Company Secretary will provide secretarial support to the DNC.

2.5 Committee Procedures

- A quorum for the Committee shall be two of its members.
- The Committee would normally meet less than three times per year but more often if required.
- The Committee shall report to the Board as required.
- Copies of the minutes of meetings shall be included in papers to the Board.
- The Board will review these Terms of Reference and performance of the DNC annually.
- The Board will make these Terms of Reference available to members on the Credit Union's web site.

2.6 Committee Renewal

Other than the Board representative on the Committee, members shall serve a maximum term of five years. An extension to the maximum term of appointment by 12 months may be made in the event that a retirement of a Committee member would mean neither independent member of the Committee had more than twelve months service on the Committee.