



ASIC
Australian Securities &
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Notice that specified clauses of company's constitution cease to have effect

RIGHTS OF REVIEW

Persons affected by certain decisions made by ASIC under the *Corporations Act 2001* and the other legislation administered by ASIC may have rights of review. ASIC has published Regulatory Guide 57 *Notification of rights of review* (RG57) and Information Sheet *ASIC decisions – your rights* (INFO 9) to assist you to determine whether you have a right of review. You can obtain a copy of these documents from the ASIC Digest, the ASIC website at www.asic.gov.au or from the Administrative Law Co-ordinator in the ASIC office with which you have been dealing.

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Australian Securities and Investments Commission**Notice ceasing the application of specified constitutional rules****Written notice**

1. This is a notice by the Australian Securities and Investments Commission (*ASIC*) of the kind described in clause 6.1 of Schedule 4 to the constitution of Queensland Country Credit Union Limited ABN 77 087 651 027 (the *Company*).

Commencement

2. This notice takes effect when ASIC has published it and given a copy of it to the Company.

Background

3. The Company has requested that ASIC:
 - (a) publish a notice that Schedule 4 to the Company's constitution ceases to have effect in relation to a proposed resolution to be put to members on 30 January 2020 General Meeting; and
 - (b) give a copy of the notice to the Company.
4. The Company has sought to have Schedule 4 disapplied in relation to a resolution regarding a proposal to change its name to Queensland Country Bank Limited and rebrand as a mutual bank and constitutional amendments that will reflect the Company's status as a mutual bank. The proposed amendments also address the situation in which the Company may voluntarily transfer its business to another former credit union that is now a mutual bank no longer permitted to use the term 'credit union'.
5. The proposed resolutions:
 - (a) will result in Schedule 4 to the Company's constitution being triggered through the application of paragraph (c) of the definition of demutualisation resolution in the Company's constitution – modification of a clause in Schedule 4; and
 - (b) may, subject to other events, result in the Company no longer being entitled to use the term 'Credit Union' in its name because of the operation of section 66 of the *Banking Act 1959* (the *Banking Act*).

Cessation

6. Schedule 4 to the Company's constitution ceases to have effect in relation to the Company, subject to paragraphs 7 to 12 of this notice.

Where cessation applies

7. Paragraph 6 of this notice applies only in relation to a resolution (*Relevant Resolution*), to be considered by the Company's members at its 30 January 2020 General Meeting, the effect of which would be to modify the clauses in Schedule 4 to the Company's constitution as set out in the Attachment to this notice.
8. Schedule 4 to the Company's constitution continues to have effect on its terms in relation to a resolution other than the Relevant Resolution.
9. Paragraph 6 of this notice does not apply if the Australian Prudential Regulation Authority issues a determination under section 66AA of the Banking Act that applies to the Company and would have the effect of making the resolution an offence under subsection 66AA(1) of the Banking Act.

Conditions

10. The company must convene and conduct its meeting of members in accordance with the *Corporations Act 2001* and the terms of its constitution other than Schedule 4, to consider the Relevant Resolution as a special resolution.
11. The company must ensure that the notice of the meeting for the Company's meeting of members clearly states that ASIC has issued this notice to cease the effect of Schedule 4 to the Company's constitution in relation to the Relevant Resolution, and include either:
 - (a) a copy of this notice; or
 - (b) the web address of the page on ASIC's website where this notice is published.
12. If the Company does not comply with any of the conditions in paragraphs 10 and 11, this notice ceases to have effect in relation to the Relevant Resolution.

Interpretation

13. In this notice:

member has the meaning given by the constitution of the Company as at the date of this notice.

notice of meeting has the meaning given by section 249J of the *Corporations Act 2001*.

special resolution has the meaning given by section 9 of the *Corporations Act 2001*.

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Dated this 22nd day of November 2019



Signed by Richard McMahon

as a delegate of the Australian Securities and Investments Commission

ATTACHMENT TO NOTICE
PROPOSED CONSTITUTION MODIFICATIONS

Clause 1.1

'Company' means Queensland Country Bank Limited formerly Queensland Country Credit Union Limited ABN 77 087 651 027 and before 1 July 1999 means the credit union of the same name incorporated and formed under the Financial Institutions Code.

SCHEDULE 1

Update the name of the Company in the Proxy form to Queensland Country Bank Limited

SCHEDULE 4

CONSIDERATION OF DEMUTUALISATION RESOLUTIONS

1. Interpretation

In this Schedule, unless the contrary intention appears:

'Additional Information' means:

- (a) an explanation as to how the Demutualisation Resolution will affect Member rights as a holder of Shares and as a customer of the Company;
- (b) an explanation as to the effect of the Demutualisation Resolution on the Company and Members with respect to:
 - (i) the rights of Members to vote and to participate in the distribution of profits and reserves of the Company and the loss of any such; and
 - (ii) the effect on the business, operations, employees, products, services, pricing and distribution network of the Company;
- (c) an explanation of the mutuality benefits to Members that will be lost if the Demutualisation Resolution is passed; and
- (d) an explanation of the availability and effect of other alternatives to Demutualisation Resolution.

'Ballot Closing Date' means the date upon which a Direct Ballot closes, being a date fixed by the Returning Officer under clause 4.6 of this Schedule and specified in the notice referred to in clause 4.7(e) of this Schedule.

'Demutualisation Resolution' means a proposed resolution, or combination of proposed resolutions:

- (a) which, if passed, will or may result in a restructure; or
~~(i) the Company ceasing to be an authorised deposit-taking institution that can or could assume or use the expression "Credit Union", "Credit Society" or "Credit Co-operative" without committing an offence under the Banking Act 1959; or~~

~~(ii) a voluntary transfer of the Company's business, pursuant to the Financial Sector (Transfers of Business) Act 1999, to an Entity that is not an authorised deposit taking institution that can or could assume or use the expression "Credit Union", "Credit Society" or "Credit Co-operative" without committing an offence under the Banking Act 1959; or~~

~~(iii) Membership Shares becoming transferable or capable of sale or assignment; or~~

~~(iv) a Member becoming entitled to hold more than one Membership Share; or~~

~~(v) a right to vote attaching to any Share other than a Membership Share; or~~

(b) in relation to which the consent of the Treasurer is required pursuant to either section 63 of the Banking Act 1959 or section 11 of the financial Sector (Shareholdings) Act 1998, unless the consent is required for the purposes of a voluntary transfer of the Company's business, pursuant to the Financial Sector (Transfers of Business) Act 1999, to an Entity that is an authorised deposit taking institution that can or could assume or use the expression "Credit Union", "Credit Society" or "Credit Co-operative" without committing an offence under the Banking Act or whose authority to use such expressions has been withdrawn by reason of the granting under section 66 of the Banking Act 1959 of authority to use the expressions "Bank "Banker" or "Banking"; or

(c) the effect of which would be to modify or repeal any clause in this Schedule; or

(d) the effect of which would be to modify or repeal the Constitution where the effect of the modification or repeal is to modify, exclude or restrict the operation of the Clauses in this Schedule.

'Direct Ballot' means a ballot of Members in respect of a Demutualisation Resolution that is conducted in accordance with Clause 4 of this Schedule.

'Directors' Statement' means a statement by the Directors containing:

(a) the recommendation of each Director as to whether the Demutualisation Resolution should be passed and their reasons for making that recommendation;

(b) details of any benefit to be received by the Directors if the Demutualisation Resolution is passed.

'Entity' includes any:

(a) incorporated or unincorporated bodies;

(b) trust or partnership; or

(c) any legal, administrative or fiduciary arrangement, organisational structure or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

'Information' means:

(a) a disclosure statement that:

- (i) contains all the information that Members would reasonably require and expect to be given to make an informed decision about the Demutualisation Resolution, including but not limited to the Additional Information;
 - (ii) states that the Demutualisation Resolution may alter the Company's mutual structure and outlines the intentions of the Member or Entity seeking to convene or convening a meeting of the Company;
 - (iii) in relation to the future of the Company if the Demutualisation Resolution is passed;
 - (iv) in relation to Members' interests if the Demutualisation Resolution is passed;
 - (v) in relation to the Directors if the Demutualisation Resolution is passed; and
 - (vi) explains the effect the passing of the Demutualisation Resolution is likely to have on the business, operations, employees, products, services, pricing and distribution network of the Company;
- (b) an estimate of the financial benefit (if any) the Members, the Directors and/or other officers of the Company will be offered if the Demutualisation Resolution is passed;
- (c) a report by an expert that:
- (i) states whether, in the expert's opinion:
 - (ii) the Demutualisation Resolution is in the best interests of the Members of the Company as a whole;
 - (iii) whether the Demutualisation Resolution is fair and reasonable to Members having regard to any change of voting rights and the right to participate in profits and reserves; and
 - (iv) sets out the expert's opinions in relation to the Additional Information; and
 - (v) gives the expert's reasons for forming those opinions; and
 - (vi) complies with the requirements of clause 33 of Schedule 4 of the Corporations Act;
 - (vii) contains any additional information required to be provided under the Corporations Act.

"Mutual" means a mutual entity defined in section 51M of the Corporations Act.

'Requisitionists' means the Members who request the convening of a general meeting that is convened by the Directors at the request of Members made under clause 29.3 or who call the meeting in accordance with sections 249E or 249F of the Corporations Act.

'Restructure' means when the Company (whether acting through Board, its members or otherwise) conducts or proposes to conduct a reduction of capital, scheme of arrangement, deed of arrangement, transfer of business or any other form of corporate restructure where after completion of the restructure it will result in:

- (i) the Company ceasing to be an authorised deposit-taking institution that can or could assume or use the expression "Credit Union", "Credit Society" or "Credit Co-operative" or "Bank", "Banker" or "Banking" without committing an offence under the Banking Act 1959;
- or

(ii) a voluntary transfer of the Company's business, pursuant to the Financial Sector (Business Transfer and Group Restructure) Act 1999, to an Entity that is not an authorised deposit taking institution that can or could assume or use the expression "Credit Union", "Credit Society" or "Credit Co-operative" without committing an offence under the Banking Act 1959 or whose authority to use such expressions has been withdrawn by reason of the granting under section 66 of the Banking Act 1959 of authority to use the expressions "Bank", "Banker" or "Banking"; or

(iii) Membership Shares becoming transferable or capable of sale or assignment; or

(iv) a Member becoming entitled to hold more than one Membership Share; or

(v) a right to vote attaching to any Share other than a Membership Share; or

(vi) the Company ceases to be a mutual; or

(vii) the successor to the company's business is not a mutual.

'Returning Officer' means a person appointed by the Directors as a Returning Officer under clause 4.1 of this Schedule.

'Special Resolution' means a resolution:

- (a) in relation to which notice as set out in paragraph 249L(1)(c) of the Corporations Act has been given; and
- (b) that has been passed by at least 75% of the votes by Members entitled to vote on the resolution.