



Executive Committee

Terms of Reference

At its meeting on the 24 August 2006 Board resolved to establish a Committee under Division 15.6 of the Constitution of the Big Sky Credit Union Ltd (Credit Union) to exercise the Delegated Powers and to be known as the Executive Committee.

Division 14.3 of the Credit Union's Constitution provides that the Board may delegate any of its powers to any Committee subject to Division 3.2. The Board must establish policies for the guidance of delegates in the exercise of any powers so delegated.

Division 15.6 of the Constitution gives the Board the power to:

- remove from office at any time the members of such Committee;
- add new members or disband any Committee at any time;
- determine the number of members of the Committee which will constitute a quorum for meetings; and
- authorise by resolution the exercise of delegated powers by any two or more of the members of a Committee without holding a formal meeting, in such cases as the Board shall specify.

The Board adopts these Terms of Reference as the terms of reference for the Executive Committee from the date hereof.

INTERPRETATION

In this document, unless the context, subject matter or circumstances indicate otherwise:

Committee means the Executive Committee established by the Board under Division 15.6 of the Constitution at its meeting on 24 August, 2006.

Constitution means the Constitution of the Credit Union dated 28 October 2004 as amended from time to time.

Credit Union means the Big Sky Credit Union Ltd.

Credit Union Law means any Law of the Commonwealth of Australia relating to credit unions with which the Credit Union must comply.

Directors mean Directors of the Credit Union.

Delegated Powers means the powers and discretions delegated to the Committee by the Instrument of Delegation.

Instrument of Delegation means the instrument of delegation dated 21 September 2006 delegating the Delegated Powers to the Committee.

All other references in these Terms of Reference not specifically defined have the meaning assigned to them under the Constitution.

1 OBJECTIVE

The primary role of the Committee is to provide advice and support the Chief Executive Officer on strategic and industry issues and approve remuneration policy and outcomes for staff of the Credit Union .

The specific functions of the Executive Committee are:

- Considers strategic and industry issues as they arise from time to time between Board meetings.
- Provides advice on other matters as they may arise between Board meetings
- Recommends the Chief Executive Officer's remuneration, Short Term Incentives and Long Term Incentives.
- Approves annual remuneration reviews of senior management recommended by the Chief Executive Officer.
- Approves the Chief Executive Officer's recommendation in respect to the annual review of total staff remuneration and Short Term Incentives.

2 COMPOSITION AND TERM OF MEMBERSHIP

2.1 Number of committee members

The Committee will be composed of no less than three and no more than four Directors of the Board appointed by a resolution of the Board. The Chief Executive Officer will attend all meetings of the Committee.

2.2 Appointment of Chairperson

The Chairman of the Board is the Chairman of the Executive Committee.

2.3 Term of Office

The term of any member of the Committee other than the Chairman will be three years subject to satisfying an annual fit & proper assessment and Board renewal policy. A Director may nominate for a further term or terms.

3 EXERCISE OF DELEGATED POWERS

3.1 Issues to be referred to the Board

If in the Committee's opinion, a matter arises in the course of exercising the Delegated Powers that warrants the attention of the Board, the Committee will refer it to the Board for direction or a determination.

4 PERIODIC REVIEW OF OBJECTIVES AND TERMS OR REFERENCE

These Terms of Reference may be reviewed annually by the Board, or as required, to ensure that the operation of the Committee meets the Board's requirements.

5 MEETINGS

5.1 Meetings

The Committee will meet if so requested by any member of the Committee and on a regular monthly basis.

5.2 Minutes

Minutes of the Committee's meetings will be kept and provided in the monthly Board Reports following the Committee meeting.

5.3 Report to Board

The Committee may table a formal report to the Board on its activities when it considers the same to be appropriate.

5.4 Resolutions

Any matters arising at a meeting of the Committee must be determined by a resolution passed by a majority of votes of those present and voting.

Under Division 15.6(5) of the Constitution, the Chair does not have a casting vote in addition to his or her deliberative vote.

6 ELECTRONIC MEETING

If:

- 6.1** the Committee members confer by radio, telephone, closed circuit television, video conferencing facility or other electronic or technological means of audio or audio-visual communications; and
- 6.2** all the Committee members who for the time being are entitled to receive notice of a Committee meeting:
 - a) receive notice of the meeting; and
 - b) have access to the means by which the meeting is to take place;
- 6.3** the fact that a Committee member is taking part in the meeting is known to all other Committee members taking part;
- 6.4** each of the Committee members taking part in the meeting is simultaneously able to hear each of the other Committee members taking part in the meeting; and

6.5 no Committee member disconnects or ceases to have access to the Committee member's means of communication or otherwise ceases to take part in the meeting, unless that committee member makes known to all other Committee members that the Committee member is ceasing to take part in the meeting;

then:

6.6 the requirements relating to Committee meetings apply to that conference as if:

- (i) it were a Committee meeting; and
- (ii) the Committee members taking part in the meeting were physically present together at the meeting;

6.7 a resolution passed at that meeting is deemed to have been passed at a meeting of the Committee members present at the same place and held on the day on which and at which the meeting was held; and

6.8 the meeting is deemed to be held at the place from where the Chair of the meeting participates;

6.9 until a Committee member makes it known that that Committee member is ceasing to take part in the meeting that Committee member is deemed to be present and to form part of the quorum.

7 RESOLUTIONS WITHOUT A MEETING

The Committee may pass a resolution without a meeting provided the process is in accordance with the provisions of the Constitution and the following procedures are complied with:

- The resolution may be circulated in electronic form;
- Committee members may reply in electronic form;
- It must be signed by all current Committee Members at the earliest opportunity after the resolution has been passed; and
- Can consist of several separate pieces of paper.

Any resolutions made in this manner will be confirmed in the minutes of the Committee at the Committee's next meeting, and will be stored with those minutes.

8 PECUNIARY INTEREST AND CONFLICT OF INTEREST

Any member of the Committee with a pecuniary interest or conflict of interest in any matter being considered by the Committee, must advise the other Committee members of the existence of that pecuniary interest or conflict at the earliest possible opportunity, and will participate in the determination of that matter in accordance with Division 16 of the Constitution.

9 SECRETARIAL SUPPORT

9.1 A representative of Management of the Credit Union will attend each meeting of the Committee and act as Secretary to the Committee. The Secretary will be

responsible for the arrangement of Committee meetings, preparation and circulation of the agenda, committee papers, preparation of minutes and maintaining records.

- 9.2 Other members of Management will attend Committee meetings as and when required by the Committee.

10 RELIANCE ON PROFESSIONAL ADVICE

The Committee may seek advice from any of the service providers appointed by the Credit Union to advise the Board on the Management of the Credit Union, to assist it in making any determination.

11 RECORDS OF THE COMMITTEE

The Secretary to the Committee must establish and maintain the following records:

The Committee terms of reference as approved by the Board of the Credit Union, together with any variation to those Terms of Reference from time to time;

Dated 21st day of September 2006

SIGNED for and on behalf of Big Sky Credit Union Ltd.

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T Ryan
Chief Executive Officer