

Community Pharmacy Friendly Society Limited

ACN 087 872 437

Level 16, 414 LaTrobe St, Melbourne, Vic, 3000

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given an Extraordinary General Meeting (AGM) of Members of Community Pharmacy Friendly Society Limited (CPFSL) will be held on Monday 4th April 2022 at 08:00 am to conduct the following business:

SPECIAL BUSINESS

1. Amendments to the Constitution:

1.1 Mutual Capital Instruments

To consider, and if thought fit, to pass the following resolution as a special resolution:

The Constitution is amended by incorporating the following new Rules 4A,4B & 4C:

“4A. MUTUAL CAPITAL INSTRUMENTS

- 4A.1 The Company is intended to be a MCI mutual entity for the purposes of the Corporations Act.
- 4A.2 The Board may decide that the Company will issue or allot MCIs (and options over MCIs) and, subject to this Constitution, the terms on which the MCIs (and options over MCIs) will be issued or allotted, including voting rights attached to them and the basis upon which they may be transferred.
- 4A.3 An MCI may only be issued as a fully paid share.
- 4A.4 Each MCI confers on the holder a right to receive a dividend at the rate and on the basis decided by the Board and set out in the terms of issue of the MCI. Dividends in respect of an MCI must be non-cumulative.
- 4A.5 The Board may pay any dividend required to be paid under the terms of issue of an MCI. Paying a dividend does not require confirmation at a general meeting.
- 4A.6 The Board may determine and set out in the terms of issue of an MCI that the MCI confers on its holder the right in a winding up of the Company to payment in priority to non MCI Members of:
 - a. the amount of any dividend accrued but unpaid on the MCI at the date of winding up; and
 - b. any additional amount specified in the terms of issue, limited to the issue price of the MCI.
- 4A.7 An MCI does not confer on its holder any right to participate in the profits or assets of the Company, including on winding up, except as set out above.
- 4A.8 An MCI does not entitle its holder to vote on a proposal to wind up the Company.

- 4A.9 The rights attached to a MCI may be varied or cancelled only by the passing of a special resolution of Members at a general meeting of the Company and either:
- a. by the passing of a special resolution at a meeting of the class of Members holding MCIs in the same class; or
 - b. with the written consent of Members holding MCIs in the same class with at least 75% of the votes in the class.
- 4A.10 For the purpose of a special resolution referred to in rule 4A.9.a, a written consent referred to in rule 4A.9.b, or any other meeting or approval of a class of Members holding MCIs in the same class, a Member who holds an MCI in that class has one vote for each MCI held in that class as at the last time for receipt of proxies in respect of that meeting or at the record time for the written consent, as applicable.
- 4A.11 The Company may treat the registered holder of an MCI as the absolute owner of that MCI and need not:
- a. recognise a person as holding an MCI on trust, even if the Company has notice of a trust; or
 - b. recognise, or be bound by, any equitable, contingent, future or partial claim to or interest in an MCI by any other person, except an absolute right of ownership in the registered holder, even if the Company has notice of that claim or interest.
- 4A.12 None of rule 4A.7, 4A.8 or this rule 4A.12 may be modified or repealed except with the prior authority of a special resolution of the Members. The requirements of this Rule 4A are a further requirement of the kind specified in subsection 136(3) of the Corporations Act.
- 4A.13 Rules 5, 6, 7 and 8 shall apply to the MCIs, except to the extent of an inconsistency with this rule 4A.

4B. TRANSFER & TRANSMISSION OF MCIS

- 4B.1. Subject to this Constitution and to the rights or restrictions attached to MCIs, an MCI Member may transfer any of their MCIs by an instrument in writing in the form approved by the Board or in such other manner as the Board determines.
- 4B.2. Subject to any special rights conferred on the holders of MCIs, the Board may, in its absolute discretion:
- a. decline to register any transfer of MCIs; and
 - b. suspend the registration of transfers of MCIs at such times and for such periods as it determines.
- 4B.3. Where an individual MCI Member dies, the only persons the Company will recognise as having any title to the Member's MCIs or any benefits accruing on those MCIs are:
- a. the legal personal representative of the deceased, where the deceased was a sole holder; and
 - b. the survivor or survivors, where the deceased was a joint holder.
- 4B.4. Rule 4B.3 does not release the estate of a deceased Member from any liability on an MCI, whether that MCI was held by the deceased solely or jointly with other persons.

- 4B.5. A person who becomes entitled to an MCI because of a Transmission Event, may, on producing any evidence the Board requires to prove that person's entitlement to the MCI, choose:
- a. to be registered as the holder of the MCI by signing and giving the Company a written notice stating that choice; or
 - b. to nominate some other person or body corporate to be registered as the transferee of the MCI by executing or effecting in some other way a transfer of the MCI to that other person or body corporate.
- 4B.6. The provisions of this Constitution concerning the right to transfer MCIs, and the registration of transfers of MCIs apply, so far as they can and with any necessary changes, to any transfer under rule 4B.5 as if the relevant Transmission Event had not occurred and the transfer were signed by the registered holder of the MCI.
- 4B.7. A transferor of MCIs remains the holder of the MCIs transferred until the transfer is registered and the name of the transferee is entered in the Register of Members as the holder of the MCIs.
- 4B.8. For the purpose of this Constitution, where two or more persons/body corporate are jointly entitled to an MCI because of a Transmission Event, they will on being registered as the holders of the MCI, be taken to hold the MCI as joint tenants.
- 4B.9. Despite Rule 4B.3, the Board may register a transfer of an MCI signed by a Member before a Transmission Event even though the Company has notice of the Transmission Event.
- 4B.10. The Board may do anything that is necessary or desirable for the Company to participate in any computerised, electronic or other system for facilitating the transfer of MCIs or operation of the Company's registers.
- 4B.11. The Board may, to the extent the law permits, waive or vary any of the requirements of this rule 4B and prescribe alternative requirements instead, to give effect to rule 4B.10 or for another purpose.
- 4B.12. The holder of the MCI will only be recognised upon their name being entered into the Register of Members as the holder of the MCI.

4C. PREFERENCE RIGHTS

The Board will give preference to the interests of Members over the interests of MCI Members. Where a person is both a Member and an MCI Member, the Board will give preference to the Member's interests as a non MCI Member."

Refer to the Explanatory Notes over the page.

Please note that the passing of this resolution is subject to the passing of the following special resolution.

1.2 Further Amendments to the Constitution

To consider, and if thought fit, to pass the following resolution as a special resolution:

The Constitution is amended as follows:

1. amend 2.1 a to read:

“to provide Benefits and products for Members or their Dependants, including but not limited to health services, and facilities, hospital, medical, dental, pharmaceutical, nursing, optical, physiotherapy and speech therapy benefits, services and facilities;”
2. Delete rules 2.1 b, 2.1 c, 2.1 d and 2.1 k and renumber all paragraphs of rule 2.1 in alphabetical order;
3. In rule 2.3 c, after the words “impose and collect”, insert “Joining Fees”;
4. In rule 2.4, insert the following words at the start of the rule “Subject to Rule 4A, no”;
5. Amend rule 2.5 to read “The liability of the Members (other than a security holder) is limited to the amount of the guarantee given under rule 2.6.”;
6. In rule 2.6 after the words “Each Member” insert “(other than a security holder)”;
7. in rule 2.8, after the words “debts and liabilities,” insert “subject to rule 4A.6.”;
8. In rule 3.2, include the following definitions:

'Annual Membership Fee' is the fee determined from time to time by the Board and listed in Appendix 1;

'Joining Fee' is the fee determined by the Board from time to time, payable on approval of an application for Membership and listed in Appendix 1;;

'MCI' means a mutual capital instruments as described in section 167AD of the Corporations Act;

'MCI Member' means a Member under rule 4.2.f;

'MCI Member' means a Member under rule 4.2.f;

'Transmission Event' means:

 - a. for an MCI Member who is an individual - the MCI Member's death, the MCI Member's bankruptcy, or an MCI Member becoming unsound of mind, or a person who, or whose estate, is liable to be dealt with in any way under the laws relating to mental incapacity; and
 - b. for an MCI Member who is a body corporate – the dissolution of the MCI Member or the succession by another body corporate to the assets and liabilities of the MCI Member;;
9. In the definition of securities in rule 3.2, after the words “includes securities”, insert “MCIs,”;
10. In rule 4.2 a, insert at the end thereof “(excluding registered holders of an MCI)” and insert a new paragraph f “MCI Members, being an individual or body corporate who is registered as the holder of an MCI.”;

11. In rule 4.7 insert at the start thereof "Except where a security is transferred,";
12. In rule 4.5 substitute the words "annual subscription" with "Joining Fee and Annual Membership Fee";
13. In rule 4.10 after the words "death of the member," insert "where the Member is no longer the registered holder of a security";
14. In rule 4.12 substitute the word "willfully" with "wilfully";
15. in rule 4.14 substitute the words "annual subscription fee" with "annual membership fee" and substitute the word "clays" with "days";
16. Amend the heading of rule 5 to read "SECURITIES (NON-MCI)";
17. Amend the heading of rule 10 read "10. TRANSFER AND TRANSMISSION OF SECURITIES (NON-MCI)";
18. Amend rule 11 to read "The Annual Membership Fees shall be such amounts and due at such times as the Board may from time to time determine, as listed in Appendix 1."
19. In rule 18.13 b, after the words "A security holder", insert "(other than a MCI Member)";
20. insert a new Appendix 1 read:

"Appendix 1

The Board has determined that the fees payable as from 1 January 2020 shall be:

- | | |
|---------------------------|--|
| 1. Joining Fee | \$5.00 for each application for Membership |
| 2. Annual Membership Fees | \$0.00." |

Refer to the Explanatory Notes over the page.

Please note that the passing of this resolution is subject to the passing of the first special resolution.

OTHER BUSINESS

To transact any other business that may be legally brought forward.

NOTES AND PROXY INFORMATION:

- (a) Explanatory Notes accompany this Notice of Extraordinary General Meeting.
- (b) Under the Constitution of CPFSL, a Member shall not be entitled to vote at a meeting unless the Member is a financial member as at a date of the meeting and 28 days immediately preceding the date of the meeting and whose names are on the member register.
- (c) If you are unable to attend and vote at the Extraordinary General Meeting or any adjournment thereof and wish to vote by proxy or to appoint a person to attend the Meeting as your proxy, please complete and return the attached 'Proxy Form'. Your proxy does not have to be a Member of CPFSL but should be able to provide suitable identification to verify he or she is your nominated proxy.

- (d) All documents relevant to the Meeting will be available at the Meeting or they may be obtained on request from CPFSL from **info@communitypharmacy.com.au**.

By order of the Board of Directors.

Chris Henderson
Company Secretary
11 March 2022

2022 PROXY FORM

STEP 1

Appoint a Proxy to Vote on your Behalf

I/We,
[print Member(s) name(s)]

of
[print address of Member(s)]

being a Member/Joint Members of **Community Pharmacy Friendly Society Limited** hereby appoint:

**CHAIR OF
THE MEETING**

OR

[INSERT NAME OF PROXY]

NOTE: Leave this box blank if you have selected the
Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Community Pharmacy Friendly Society Limited (CPFSL) to be held on 4 April 2022 at 8:00 am and at any adjournment Meeting.

NOTE: A proxy need not be a Member of CPFSL

STEP 2

Items of Business

NOTE: Undirected proxy votes of Members in favour of the Chairman of the Meeting will be taken for the purposes of the Constitution to have specified a direction to and to have authorised the Chairman to exercise a vote on the resolutions in the manner he has indicated he will vote at the Meeting. The Chairman advises that undirected proxies will be voted in favour of Items 1 and 2.

If you mark the Abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your vote is not to be counted in computing the required majority on a poll.

	For	Against	Abstain
Item 1: Amendment to the Constitution (Mutual Capital Instrument)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	For	Against	Abstain
Item 2: Further Amendments to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3

Signature of Member(s) *This section must be completed.*

Member or Joint Member 1

**Sole Director and Sole Company
Secretary**

Joint Member 2

Director

Joint Member 3

Director/Company Secretary

CPFSL Membership number/

Date / / 2022

Signing Instructions

Individual Member: Where the membership is in one name, the member must sign.

Joint Members: Where the membership is in more than one name, all joint members must sign in order for the proxy form to be valid and accepted by CPFSL. A proxy form signed by the member whose name appears first in the register, but not by the other joint member(s), will also be accepted as valid.

Power of attorney: If you have not already lodged the Power of Attorney with CPFSL, please attach a certified copy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Comments and Questions: If you have any comments or questions for CPFSL, please send them to us in an email when returning your proxy form.

For your proxy to be effective it must be received **by 1, April 2022**.

In an effort to reduce our carbon footprint, please return [a scanned copy/pdf] of your proxy form by email to:

info@communitypharmacy.com.au

If you are unable to do so, hard copies can be returned to the following address:

**Company Secretary
Community Pharmacy Friendly Society Limited
PO Box 123
Elsternwick, VIC, 3185**

Any Proxy Forms received after this time cannot be accepted by CPFSL.

The current Notice of EGM, Explanatory Memorandum and Proxy Form is available on CPFSL's website at www.communitypharmacy.com.au

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**Community Pharmacy Friendly Society Limited (CPFSL)
ACN 087 872 437**

Level 16, 414 La Trobe St, Melbourne Vic 3000

EXPLANATORY NOTES:

Item 1 – Amendments to the Constitution:

Mutual Capital Instruments (MCI) amendment resolution

The recently enacted Treasury Laws Amendment (Mutual Reforms) Act 2019 enables Futurity, as a member-based organisation (mutual), to raise funds through a financial instrument called a mutual capital instrument without demutualising and without incurring debt. Although it is unlikely that CPFSL will need to raise funds in the foreseeable future, the legislation imposes strict conditions for the introduction of MCIs including a limited time period in which amend the Constituion, that being no later than 4 April 2022.

The ability to issue MCIs will provide CPFSL with access to a broader range of capital raising and investment options. To mitigate risks associated with financial uncertainty, CPFSL is eager to secure this flexibility. To offer MCIs, CPFSL must be a 'MCI mutual entity' as defined in the Corporations Act and requires amendments to its constitution as outlined in the proposed resolution.

MCI holders (individually or jointly will become members of CPFSL on issue of an MCI and will be entitled to a dividend as determined by the terms of issue of the MCI and as determined by CPFSL's Board. MCI holders will be able to transfer an MCI, subject to CPFSL Board approval and usual estate transmission rules. MCI holders can exercise a vote at all CPFSL meetings, other than in relation to its winding up and have special voting rights in respect to matters affecting MCI holders generally.

Item 2 – Further Amendments to the Constitution

The further amendments to Constitution are designed to modernise the objects for which the Company is established, to provide for the imposition and collection of joining fees and annual membership fees in accordance with Appendix 1, and to provide new definitions in relation to MCI Instruments.

Note:

Unless both the special resolutions are passed with the required majorities, neither of the resolutions will be effective and implemented.