



Rule	Resolution amending the constitution	Purpose of amendment
22.7(c)	<p>arrangement is determined if the Director's interest then exists, or in any other case at the first meeting of the Directors after the acquisition of the Director's interest."</p> <p>"Replace rule 22.7(c) with the following:</p> <p>(c) A general notice that a Director is a member of a specified company or firm and is to be regarded as interested in any subsequent transaction with the company or firm is sufficient disclosure if:</p> <p>(i) the notice states the nature and extent of the interest of the Director in the company or firm; and</p> <p>(ii) there has been no material change in the Director's interest in the company or firm when a later transaction is considered by the Board."</p>	governance practice with conflicts of interests. As above.
New rules 22.7(d)-(k)	<p>"Insert new rules 22.7(d)-(k) as follows:</p> <p>(d) Subject to a standing notice given under rule 22.7(g), a Director who has a material interest in a matter that is being considered at a Directors' meeting must not:</p> <p>(i) be present at the meeting while the matter is being considered; and</p> <p>(ii) must not vote on the matter unless the preceding provisions of this rule 22.7 have been complied with and the other Directors have passed a resolution in accordance with section 195 of the Law.</p> <p>(e) The giving of a general notice under rules 22.7(b) or (c) does not entitle a Director to be present or to vote at a meeting in relation to a particular contract unless a resolution of the Board under rule 22.7(d) has first been passed.</p> <p>(f) Notwithstanding any other provision of this rule 22.7, section 191 of the Law governs a Directors duty to disclose a material personal interest.</p> <p>(g) A Director who has an interest in a matter may give the other Directors standing notice of the nature and extent of the interest in the matter. The notice may be given at any time and whether or not the matter relates to the affairs of the Company at the time the notice is given.</p> <p>(h) A notice under rule 22.7(g) may be given:</p> <p>(i) at a Directors' meeting (either orally or in writing); or</p> <p>(ii) to the other Directors individually in writing.</p> <p>(i) If the standing notice is given to the other Directors individually in writing:</p> <p>(i) the notice is effective when it has been given to every Director; and</p> <p>(ii) the notice must be tabled at the next Directors' meeting after it is given.</p> <p>(j) The Director must ensure that the nature and extent of the interest is recorded in the minutes of the meeting at which the standing notice is given or tabled.</p> <p>(k) Subject to a Director having complied with the relevant provisions of this rule 22.7, the Director may sign or countersign any contract in which they are interested."</p>	As above.
23	<p>"In rule 23:</p> <p>(a) insert the words "for any temporary period for which they are unable to act" after the words "Director's place".</p> <p>(b) replace sub-rule (e) with "if the Director making the appointment ceases to be a director, the alternate Director</p>	Clarity of drafting

Rule	Resolution amending the constitution ceases to be an alternate Director."	Purpose of amendment
24.1	<p>"In rule 24.1:</p> <p>(a) insert the following sub-rule after sub-rule (vii), "(viii) if the director is found guilty of a criminal offence" and move "or appearing at the end of (vi) to the end of (vii).</p> <p>(b) delete sub-rule 24.1 (iv)."</p>	Clarity of drafting and consistency with other provisions.
24.2	"In rule 24.2 insert the words "as nominated by the Board pursuant to rule 25.3" after the word "subsidiaries" and delete "and" before "becomes vacant"."	Clarity of drafting and consistency with other provisions
25.1	<p>"Replace rule 25.1 with the following:</p> <p>(a) Subject to rules 22.2, 24.1(b) and 26.2, at every annual general meeting Directors who have held office since their last election for three years must retire from office.</p> <p>(b) If the number of Directors who must retire under sub-rule (a) is less than one third of the total number of Directors (or if the number of Directors is not a multiple of 3 then the nearest whole number to one third) (Rotation Requirement), then further Directors will be required to retire to reach the Rotation Requirement. The Directors that must retire under this provision to reach the Rotation Requirement will be determined based on their length of tenure on the Board, with the Director with the longest tenure (notwithstanding those Directors in sub-rule (a)), being required to retire first. As between those Directors who have the same tenure and were appointed on the same day, the Director to retire will be determined by ballot (unless otherwise agreed between the relevant Directors)."</p>	Clarifying process for rotation.
25.2	<p>"Replace rule 25.2 with the following:</p> <p>(a) A Director that retires under rules 25.1 (a) or (b) will be eligible for re-election.</p> <p>(b) The retirement of a Director who retires under this rule will be effective from the close of the relevant annual general meeting.</p> <p>(c) If a Director is required to retire at or before the annual general meeting or if there will otherwise any vacancies on the Board at the time that the notice of the annual general meeting will be provided, the Board must give a notice to Members calling for nominations for the vacant position."</p>	Clarity of drafting.
35	<p>"Replace rule 35 with the following:</p> <p>(a) If the Company is wound up or its status as a deductible gift recipient is revoked and any property remains after satisfaction of all its liabilities, that property:</p> <p>(i) must not be paid to or distributed among the Members; but</p> <p>(ii) must be given or transferred to other institutions having similar objects to the Company that are Deductible Gift Recipients (Default Fund).</p> <p>(b) The Default Fund will be determined:</p> <p>(i) by the Members at or before the time of dissolution; but</p> <p>(ii) if no determination is made by the Members, the Default Fund will be determined by a Judge of the Supreme Court of the state in which the registered office of the Company is located."</p>	Modernisation and clarification of procedure

## 4.2. SPECIAL RESOLUTION - Amendments to the Constitution to update law and reflect introduction of ACNC Act

*Background – The Company is a charity under the Australian Charities and Not-for-profits Commission Act 2012 (Cth) (ACNC Act). The passing of this legislation has resulted in many provisions of the Corporations Act no longer applying to the Company. It is considered desirable to update the Constitution to reflect this change of legislation.*

To consider and if thought fit pass the amendments to the Constitution to be effective immediately as set out below as a Special Resolution:

3.2	"In clause 3.2 replace the definition of 'Law' with the "means the Corporations Act 2001 (Cth) and the Corporations Regulations (as defined in the Corporations Act 2001 (Cth)) or the ACNC Act as the context dictates".	Modernisation and update to law
3.2	"In clause 3.2, insert the following definitions before the definition of Benefits":  (a) ' <b>ACNC Act</b> ' means the Australian Charities and Not-for-profits Commission Act 2012 (Cth).  (b) ' <b>ACNC Entity</b> ' means a body corporate registered under the ACNC Act.  (c) ' <b>Act</b> ' means either the ACNC Act or the Law, as the context dictates."  "In clause 3.2, insert the following definition before the definition of 'Director' and after the definition of 'Constitution'  (d) ' <b>Deductible Gift Recipient</b> ' has the same meaning as in the Income Tax Assessment Act 1997 "  "In clause 3.2, insert the following definition before the definition of 'Full (lodge) Member' and after the definition of 'Director'  (e) ' <b>Excluded Provisions</b> ' has the meaning provided for in rule 3.5(b)."	Modernisation and update to law reflecting introduction of ACNC Act.
New rule 3.5	"Insert new rule 3.5 as follows:  <b>3.5 Replaceable Rules and ACNC Entity provisions</b>  (a) If the provisions of the Law or the ACNC Act conflict with the terms of this Constitution on the same matter, the provisions of the relevant Act prevail to the extent of the conflict.  (b) If the Company is an ACNC Entity and the Law operates such that a provision of the Law specifically included or referred to in this Constitution does not apply to the Company because it is an ACNC Entity ( <b>Excluded Provision</b> ):  (i) a provision in the same terms (together with relevant definitions in the Law) as the Excluded Provision is deemed to be included in this Constitution; and  (ii) the Excluded Provision (together with relevant definitions in the Law) apply to the Company to the extent that the Excluded Provision would apply to the Company if it was not an ACNC Entity."	Modernisation and update to law.
13.2	"Replace the words 'Corporations Law' with the word 'Act'."	The ACNC Act governs accounting and audit requirements of charities
13.3	"Replace the words 'Corporations Law' with the word 'Act'."	The ACNC Act governs accounting and audit requirements of charities
New rule 16.3	"Insert new rule 16.3 as follows:  16.3 Section 249P of the Law applies to statements given to the Company by Members for distribution."	Clarifies to requirements around statements to be given to the company by Members around requisitioned meetings.

### 4.3. SPECIAL RESOLUTION - Amendments to the Constitution to modernize and simplify Classes of Membership and for ease of administration

*Background – The Constitution currently provides for Membership classes which are confusing or do not exist. Additionally, it is considered desirable that Membership be re-categorised to give the Board the ability to waive current modest annual fees to create a non-voting Bronze 'life membership' class on payment of a one off nominal fee. This ensures ease of administration for both the Company and Members in not needing to collect/pay the annual fees whilst still maintaining the Pharmacy benefits ordinarily associated with general Membership.*

*All general Members will transition to Bronze Members on 1 January 2019 without any further payment, replacing the former general member class but having the same Pharmacy benefits. Bronze Members have the option to elect to pay a higher annual fee (initially \$50 per annum) for additional Membership benefits. A special Gold Class of Membership will be created but limited to former full members of the Company who will transition to this class without payment of any further fees. The Company intends to publish full details of the benefits of each Class of Membership before 1 January 2019 so that general Members (who will become Bronze members) can decide whether they wish to select a higher membership class.*

To consider and if thought fit pass the amendments to the Constitution to be effective as at 1 January 2019 as set out below as a Special Resolution:

3.2	"In clause 3.2, insert the following definition after "Chairman" and before "Committee":  "Class of Membership" means a class of membership as described in clause 4.2 (b);"	Related or consequential change to membership classes referred to in rule 4.
3.2	"In clause 3.2 insert a new definition after "Excluded Provisions" as follows:  'Full (Lodge) Member' means a person who was a full member of the Company as at 31 December 2018 by virtue of having been a member of a lodge or a member of a past lodge associated with the Company;"	Related or consequential change to membership classes referred to in rule 4.
3.2	"In clause 3.2, insert a new definition after the definition of "Full (Lodge) Member" as follows:  "Gift Certificate" means a certificate issued by the Company allowing credit against goods or services sold by the Company on terms determined by the Board from time to time;"	Related or consequential change to membership classes referred to in rule 4.
3.2	"In clause 3.2:  - Replace the definition of 'Member' with "Member" means any person who becomes a Member of the Company in accordance with this Constitution provided that this term will only apply to a particular Class or Classes of Membership where the case requires or permits having regard to any particular restrictions or rights attaching to that Class of Membership;  - delete the definition of "General Member" and replace any references to "General Member" or "General Membership" with "Member" or "Membership" respectively."	Related or consequential change to membership classes referred to in rule 4 and ensuring consistency of definitions.
3.2	"In clause 3.2, insert the following definitions after "Office" and before "Person":  "Pharmacy" means any pharmacy operated by the Company from time to time;  "Pharmacy Product" means any products sold by any Pharmacy except for:  (a) already discounted items or special promotions/offers; and (b) sleep apnea medications or prescriptions; and (c) any other products as determined by the Board from time to time;"	Related or consequential change to membership classes referred to in rule 4.
3.2	"In clause 3.2, insert the following definition after "Registered address":  'Relevant Fee' means the application fee or annual fee payable for a Class of Membership set by the Board from time but initially to be as follows:  (a) Bronze Member – a one off application fee of \$1.00 inclusive of GST.  (b) Silver Member – an annual fee of \$50.00 inclusive of GST payable yearly in advance	Related or consequential change to membership classes referred to in rule 4.

	<p>on acceptance of an application for Membership.</p> <p>(c) <b>Gold Member – nil.</b></p>	
4.2	<p>"In clause 3.2, delete the definition of 'Affiliate Member', 'Corporate Member', 'Delegate', 'Joint Member' 'Minor Member', 'Family Member', and 'Dependant(s)' (and consequential deletions of 'or Corporate Membership' in clause 4.5, deletion of 'or Corporate Member' in clause 4.14, deletion 'or their Dependants' or 'and their Dependants' in clauses 2.1 and 2.7, and deletion of clauses 4.4, 4.6, 4.8, 4.9 (d) and 4.16).</p> <p>In clause 4.2, replace clause 4.2 with the following new clauses:</p> <p><b>4.2 Membership of the Company shall consist of:-</b></p> <p>(a) security holders;</p> <p>(b) Members, being individuals but categorised into the following classes:</p> <p>(i) Bronze Member;</p> <p>(ii) Silver Member;</p> <p>(iii) Gold Member,</p> <p>subject to the rights and restrictions set out in clause 4.2A and subject to the criteria for membership for that class set out in clause 4.2B (each a <b>Class of Membership</b>).</p> <p><b>4.2A Rights and restrictions attached to Class of Membership</b></p> <p>(a) <b>Bronze Members</b> shall be entitled to the following rights and subject to the following restrictions:</p> <p>(i) a right to receive discounts on Pharmacy Products purchased by the Member at a rate determined by the Board from time to time, but initially at a rate of 15%;</p> <p>(ii) such other Benefits (including Gift Certificates) to be conferred on this Class of Membership as determined by the Board from time to time;</p> <p>(iii) a right to receive notice of any general meeting of the Company;</p> <p>(iv) no right to vote as set out in this Constitution.</p> <p>(b) <b>Silver Members</b> shall be entitled to the following rights and subject to the following restrictions:</p> <p>(i) a right to receive discounts on Pharmacy Products purchased by the Member at a rate determined by the Board from time to time, but initially at a rate of 15%;</p> <p>(ii) such other Benefits (including Gift Certificates) to be conferred on this Class of Membership as determined by the Board from time to time;</p> <p>(iii) a right to receive notice of any</p>	<p>Reclassification of classes Membership for modernization and administrative ease and reflecting current practice.</p>

general meeting of the Company;

(iv) a right to vote as set out in this Constitution.

(c) **Gold Members** shall be entitled to the following rights and subject to the following restrictions:

(i) a right to receive discounts on Pharmacy Products purchased by the Member at a rate determined by the Board from time to time, but initially at a rate of 15%;

(ii) such other Benefits (including Gift Certificates) to be conferred on this Class of Membership as determined by the Board from time to time;

(iii) a right to receive notice of any general meeting of the Company;

(iv) a right to vote as set out in this Constitution.

#### 4.2B Criteria for Membership

(d) The qualifying criteria for admission to each Class of Membership is set out below:

(i) **Bronze Member:** a person who:

(A) subject to clause 4.2C, applies for Membership of that Class and pays the Relevant Fee after 1 January 2019;

(ii) **Silver Member:** a person who:

(A) applies for Membership of that Class and pays the Relevant Fee after 1 January 2019;

(iii) **Gold Member:** a person who:

(A) was a Full (Lodge) member as at midnight on 31 December 2018 either alone or as a couple membership; and

(B) subject to clause 4.2C, applies for Membership and pays the Relevant Fee after 1 January 2019.

#### 4.2C Transitional Rules for Classes of Membership

(e) In this clause, 'Member' has the meaning of 'Member' under the Constitution of the Company before amendment to create the Classes of Membership provided by clauses 4.2A and 4.2B of this Constitution.

	<p>(f) The following transitional rules for Classes of Membership apply:</p> <p>(i) Any person who was a Member and also a Full (Lodge) Member as at midnight on 31 December 2018 will automatically become a Gold Member on 1 January 2019 and the Relevant Fee required to become a Gold Member (if any) will be waived. For the avoidance of doubt, for any Full (Lodge) Member that had a couple membership, each couple will transition so as to have its own Gold Membership;</p> <p>(ii) All other persons who were Members as at midnight on 31 December 2018 (not being Full (Lodge) Members), will automatically become Bronze Members on 1 January 2019 and the Relevant Fee required to become a Bronze Member will be waived, unless that Member:</p> <p>(A) applies for Membership as a Silver Member; and</p> <p>(B) pays the Relevant Fee,</p> <p>in which case that Member will become a Silver Member.</p> <p>(iii) A Member who becomes a Bronze Member on 1 January 2019 who has paid any membership fees relating to a period after 1 January 2019 (<b>Overpaid Membership Fees</b>), will be entitled upon written request to the Company to receive credit for any Pharmacy Products to an equal value to the <b>Overpaid Membership Fees.</b></p>	
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#### 4.4. SPECIAL RESOLUTION - Amendments to the Constitution to reflect current practice

*Background – It is considered desirable to reflect the current Board composition of 4 but allow for this number to be conservatively extended. Equally, the current practice of calling for meetings by publication in a local newspaper for practicality bearing in mind the number of Members to be entrenched in the Constitution.*

22.1	<p>"In rule 22.1 (a), delete "not being less than 3 nor more than 10," insert "not being less than 4 nor more than 6,"</p> <p>"In rule 22.1 insert a new sub-rule (c) as follows:</p> <p>(c) All Directors are required to be Members, unless specified otherwise by the Board in accordance with rule 25.3."</p>	Consistency with current Board composition and practice.
16.1	<p>"Delete rule 16.1 and replace with "Not less than 21 days' notice of a general meeting may be given by the Board in the form and in the manner the Board thinks fit (which may be by publication in a newspaper operating within the area in which the Company operates) including notice of any general meeting at which the Board proposes or these rules require that an election of Directors be held. The non-receipt of a notice of any general meeting by, or the accidental omission to give notice to, any person entitled to notice does not invalidate any resolution passed at that meeting."</p>	Reflects current practice of advertising notice of meetings in local Newspaper for practicality.



## **ADDITIONAL INFORMATION**

*Please refer to the full copy of the Notice of Meeting at <https://thefriendlies.org.au/about-us/bfsmi/> or contact the Company Secretary on 4154 0449 to obtain more information on items 3 and 4 including a copy of the Remuneration Report and a detailed list of the proposed changes to the Constitution and related resolutions. The full Notice of Meeting and further information able to be accessed at <https://thefriendlies.org.au/about-us/bfsmi/> form part of this Notice of Meeting.*

## **NOTICE**

A member of the Company who is entitled to vote at the meeting may request a personal notice of the meeting. The request must be made in writing to the Secretary of the Company and posted to PO Box 2120 BUNDABERG QLD 4670. Each member is entitled to 1 vote. Members are entitled to appoint a proxy and proxy forms are available upon request by phoning 4154 0449.

DATED: 26/10/2018

By Order of the Board



**Mr Mark McLean**  
**Company Secretary**

Copies of Statutory Reports, Explanatory Statement and Proxy Forms are available free of charge