

**MCLAREN VALE & DISTRICTS WAR MEMORIAL
HOSPITAL INCORPORATED (ABN 47 542 553 950)**

NOTICE OF SPECIAL GENERAL MEETING

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Notice is hereby given that a Special General Meeting of members of McLaren Vale & Districts War Memorial Hospital Incorporated (the "Hospital") will be held at the Gymnasium of Tatachilla Lutheran College, 211 Tatachilla Road, McLaren Vale, South Australia, on **Tuesday 4th July 2023 at 7:00pm.**

AGENDA

Special Business

1. Vacation of all Board Positions

To consider, and if thought fit, to pass the following resolution as a special resolution in accordance with Rule 10.7(a) of the Constitution:

“That the members direct the board to commence a process whereby a special meeting is called, board nominations are taken, each board member resigns immediately before the meeting and the members vote on the appointment of a new board.”

2. Merger with James Brown Memorial Trust

To consider, and if thought fit, to pass the following resolution as a special resolution in accordance with Rule 10.7(a) of the Constitution:

“That for the purposes of Rules 5(b) and 17 of the Constitution and sections 25 and 43(2)(a) of the Associations Incorporation Act 1985, and for all other purposes, the Hospital be empowered and authorised to transfer to James Brown Memorial Trust the assets and undertakings of the Hospital on such terms as the Board determines.”

EXPLANATORY NOTES

Members are referred to the Explanatory Notes accompanying and forming part of this Notice of Meeting. Please read those notes carefully.

PROXY FORMS

Proxy forms are available from the reception area at the Hospital and to be effective must be completed and returned to the Non-Clinical Manager of the Hospital by 5:00pm on Monday 3rd July 2023.

By Order of the Board

Chris Overland

Chair

Dated: 2 June 2023

EXPLANATORY NOTES FORMING PART OF THE NOTICE OF SPECIAL GENERAL MEETING AND THE PROXY FORM

Determination of Entitlement to Attend and Vote

For the purposes of the Special General Meeting, members must have a current membership and be listed in the Hospital's register of members to be entitled to attend the meeting and vote upon the business of the meeting. Pursuant to Rule 6.3(c) of the Constitution, upon the expiration of four weeks from the date of commencement of membership, members are entitled to vote at general meetings of the Hospital.

Proxy Forms

Completed proxy forms should be returned to the Non-Clinical Manager at the Hospital by 5:00pm on Monday, 3 July 2023. Alternatively, the completed proxy forms can be sent by email to information@mclarenvalehospital.com.au or by post to 5-9 Aldersey Street, McLaren Vale, SA 5171. All forms of communication have the same cut-off date and time.

Requests for Special General Meetings

The Board has received two separate requests for a Special General Meeting in writing and signed by more than 20 members.

There is some ambiguity in the Constitution as to whether the business in those two separate requests can be heard during the same Special General Meeting. To avoid the absurdity of having to call two consecutive Special General Meetings, the Board has determined that the business specified in both requests will be heard at the meeting the subject of this notice. To avoid any potential prejudice to the group of members that gave notice of their request first in time, the business in their request appears first on the agenda for this meeting.

Notes for proposed resolutions:

The following notes set out the detail of the special resolutions to be proposed at the Special General Meeting:

Item 1 – Vacation of all Board Positions

The board received a letter signed by twenty-four members requesting that the board convene a special general meeting to discuss the following agenda items:

1. Dismissal of the current board members
2. Election of a new board of members

The board notes that the request did not propose any specific resolutions, and it is therefore not entirely clear to the Board what was intended by the request. Despite seeking clarification from those members, the Board is not able to identify a specific power on which the proposed business could be based.

However, the Board does not in any way intend to prevent the Members from having a say in the composition of the Board that oversees the Association. Accordingly, the Board has formed a proposed resolution that it believes could meaningfully achieve the sentiment of the request if the Members vote for its approval:

“That the members direct the board to commence a process whereby a special meeting is called, board nominations are taken, each board member resigns immediately before the meeting and the members vote on the appointment of a new board.”

This proposed resolution was put to the members who gave the request. While the board has not had a definitive response from the signatories of the request, the board has nevertheless determined to put this resolution to members at a special general meeting in the interests of sound governance.

If members vote in favour of the resolution at this Special General Meeting, the consequence is that:

- the board will call a further special general meeting within sixty days;
- the board will call for nominations for board candidates;
- all board members will resign immediately prior to that special general meeting;
- members will then vote on which board candidates members would like to serve as board members with effect from the date of that special general meeting.

For clarity, it is important to understand that the resolution in item 1 will not be a vote on the closure of the current provision of services to public and private patients by the Hospital itself, as these will have ceased with effect on 30 June 2023.

The board recommends that members **vote against** the resolution in item 1.

Item 2 – Merger with James Brown Memorial Trust

This resolution is the same as the first resolution considered at the recently convened Special General Meeting held on 5 May 2023. At the Special General Meeting on 5 May 2023, the resolution was defeated by a very narrow margin, with eighty-two members voting in favour and twenty-nine voting against (ie, 73.9% of votes cast in favour).

The board has received a letter signed by twenty members requesting that the board convene a special general meeting to consider the following resolution (being resolution 2):

“That for the purposes of Rules 5(b) and 17 of the Constitution and sections 25 and 43(2)(a) of the Associations Incorporation Act 1985, and for all other purposes, the Hospital be empowered and authorised to transfer to James Brown Memorial Trust the assets and undertakings of the Hospital on such terms as the Board determines.”

As has been communicated to members, the board has determined that the ongoing operation of the Hospital beyond 30 June 2023 as a private hospital is not viable. The reasons for the board’s decision are set out in the letter to members dated 2 June 2023 accompanying this notice of meeting.

Under rule 5(b) of the constitution of the Hospital, where the board proposes to dispose of assets of anticipated value exceeding \$250,000 or any real estate, notice is required to be given to members and twenty or more members may then requisition a special general meeting to consider that proposed disposal. As the assets and real estate proposed to be transferred to James Brown Memorial Trust (“Kalyra”) will exceed \$250,000 in value and also include real estate, the board anticipates that members may wish to requisition a special general meeting and the board has elected to put this item of business to members at a special general meeting with formal requisition.

Under the constitution of the Hospital and also under the Associations Incorporation Act 1985 (“Act”), where the Hospital is to be wound up or voluntarily deregistered:

- Income and the assets of the Hospital are not permitted to be distributed to the members of the Hospital.
- Any surplus assets remaining after the winding up of the Hospital must be distributed to any organisation that has similar objects as the Hospital and rules also preventing the distribution of its assets and income to its members, with the organisation(s) to be as identified and determined by a special resolution of members in general meeting.

Kalyra is a trusted not for profit aged care provider and through an arrangement with them key services including the Wellbeing GP clinic, Clinpath, SA Ambulance Service, and the volunteers’ Op Shop and shed will stay. As well Tsong Gyaou will be preserved, and its tenants can stay.

Kalyra's objectives align with those of the Hospital, and they will look at the most need in our community, and specifically consider housing for older people that is more accessible than retirement villages. This could be targeted at older women, given the increasing number of women over 50 who find themselves homeless. Kalyra's intention is to co-design with the community for what the future looks like while supporting all the current community activities on site except inpatients.

The board has determined that Kalyra:

- Has objects similar to those of the Hospital;
- Is prohibited under the rules of its constitution from distributing income or assets to its members;
- Has the skills, expertise and resources to operate the assets of the Hospital in a manner consistent with the objects of the Hospital such that the assets of the Hospital will be used in a way that continues to benefit the local community.

The board recommends that members **vote in favour** of the resolution in item 2.