



# BE PART OF A SPECIAL CPS **SHARE** **DISTRIBUTION** EVENT

Your opportunity to share in the  
growth of CPS and TradeSmart



# BE PART OF AN EXCITING NEW CHAPTER OF CPS

CPS is restructuring its shareholding and we are excited to present this opportunity to you - our members.

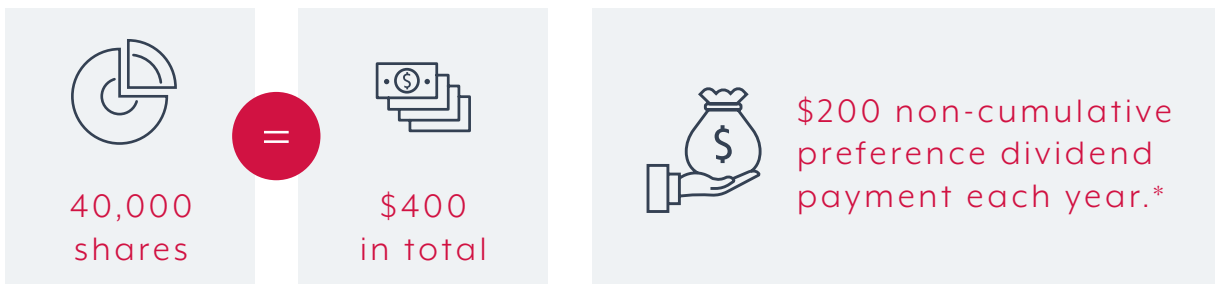
## As a member of CPS/TradeSmart, we would like to share our business success with you!

The share restructure has been specifically designed to ensure all active CPS and TradeSmart members have a say in the way we are run and receive further rewards as we grow.

## SHARE DISTRIBUTION OFFER

With substantial reserves and continuing profit, CPS offers you the opportunity to increase the distribution of funds to you.

**Between now and 28 May 2022 all active members have the opportunity to take up 40,000 Redeemable Preference Shares. The cost of the 40,000 shares is \$400 in total.**



In many ways, Redeemable Preference Shares are the same as ordinary shares. For example, they give the shareholder some ownership, and the right to vote.

A Redeemable Preference Share has two unique components: the preference dividend and the redemption.

The non-cumulative preference dividend that these shares offer is a payment of half a cent per share. So, if you have 40,000 shares, and pending the board's annual approval, shareholders will receive a \$200 preference dividend payment each year.

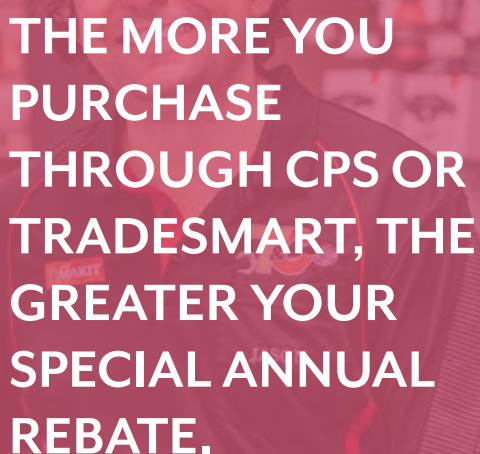
**If you cease to be an active member of CPS or TradeSmart, the company at its discretion can re-purchase your shares for one cent each. That means if you cease being an active member of CPS or TradeSmart, CPS may pay you \$400 to buy-back your shares - the same price which you paid for the shares originally.**

*\* Subject to annual board approval.*

# SPECIAL ANNUAL REBATE DISTRIBUTION

As a holder of Redeemable Preference Shares you will also be included in the Special Annual Rebate Distribution.

Each year the CPS board considers the position and future requirements of CPS. When the board believes there is a surplus of reserves, additional funds can be returned to members by a Special Annual Rebate Distribution to shareholders.



**THE MORE YOU PURCHASE THROUGH CPS OR TRADESMART, THE GREATER YOUR SPECIAL ANNUAL REBATE.**

In the past, Special Annual Rebates have been paid to our ordinary shareholders.

After this share restructure only Redeemable Preference Shareholders will be eligible to receive the Special Annual Rebate.

**In the last two-years alone, \$230,000 has been shared between our members through the Special Annual Rebate.**

## IN SUMMARY:

- 1** CPS is offering every active member **40,000 Redeemable Preference Shares** for a one-off, total cost of \$400.
- 2** Redeemable Preference Shareholders, subject to board approval, will receive a non-cumulative preference dividend payment of \$200 per year. That's not just the first year, that's **every year you are an active member with us.**
- 3** If a member is no longer active, the company may **repurchase** the shares for one cent each - **\$400 for 40,000 Redeemable Preference Shares** (the same amount you purchased them for).
- 4** Redeemable Preference Shareholders will also share in the **Special Annual Rebate Distribution**, to be agreed by the board each year.

*Please note: The new share distribution agreement does not impact the operations or the structure of our groups. Hardware, building and rural will continue to operate from Perth, and the TradeSmart business will continue out of Melbourne.*

# HOW TO BE PART OF THIS SPECIAL OPPORTUNITY!

Simply complete the application for Redeemable Preference Shares you received with this brochure and return it to us by 28 May 2022.

We will debit the \$400 cost of the 40,000 Redeemable Preference Shares to your rebate account, so there is no need to send us any money.

The first preference dividend payment of \$200 is likely to be made in late August 2022 and the board will decide on the Special Annual Rebate Distribution in October or November 2022.



RETURN FORM BY  
28 May 2022

## FAQs

**Are the shares fully paid, or will I have to pay more later?**

The shares are fully paid. You cannot be asked by the company to tip in more money. Categorically it's a one-time only \$400 payment for 40,000 Redeemable Preference Shares.

**Can I vote on company issues or be eligible for board selection?**

Yes. The Redeemable Preference Shares carry the same voting powers as ordinary shares. That means you can vote and be eligible for board selection.

In fact, that's what this Share Distribution is all about – ensuring all CPS and TradeSmart active members are in control of their future!

**What if I don't want to buy the shares now?**

If you don't buy in this Share Distribution round, you may be given the opportunity at a later date. Not being a shareholder won't change your present entitlements.

It's entirely your choice. You are also free to sell your shares to other members if you wish.

**Where can I get more information?**

Go to the CPS website at [www.purchasing.com.au](http://www.purchasing.com.au) to view the 2021 Annual Report. Look at the Audited Balance Sheet and Profit and Loss sections to see the strong position of CPS.

Alternatively, you can contact CPS General Manager - Stephen Wren, Company Secretary - Liz Vassi, or board Chair - Tim Ellery, for more information on 08 6314 0988 or [cfo@purchasing.com.au](mailto:cfo@purchasing.com.au)



*Before considering the opportunity to purchase CPS Redeemable Preference Shares, you should read the Application document and all information provided with it. You should also see independent tax, financial and legal advice. This brochure is not an Offer.*

