

**ILLAWARRA CATHOLIC CLUB LIMITED
ACN 000 361 660**

NOTICE OF GENERAL MEETING

NOTICE is hereby given of a General Meeting of **ILLAWARRA CATHOLIC CLUB LIMITED** to be held on **Thursday 27 January 2022** commencing at **7:00pm** in the premises of the Club, 2 Crofts Avenue Hurstville, NSW.

BUSINESS

The business of the meeting will be to consider and if thought fit pass an Ordinary Resolution and, subject to the passing of the Ordinary Resolution, to consider and if thought fit pass the Special Resolution set out below.

ORDINARY RESOLUTION

“That the members hereby approve in principle the amalgamation of Illawarra Catholic Club Limited ACN 000 361 660 (“ICC”) with Georges River 16FT Sailing Club Co-Op Ltd ABN 90 738 525 905 (“Sailing Club”), with such amalgamation to be effected by:

- (a) the continuation of ICC as the corporate body of the Amalgamated Club and the dissolution of the Sailing Club; and***
 - (b) the granting of an application made to the Independent Liquor & Gaming Authority for the transfer of the club licence held by the Sailing Club in respect of its premises at 2 Sanoni Avenue Sandringham to ICC for the purpose of such amalgamation; and***
 - (c) the transfer of the club licence held by the Sailing Club to ICC pursuant to the application referred to in paragraph (b).”***
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EXPLANATORY NOTES TO MEMBERS ON ORDINARY RESOLUTION

1. An amalgamation between two registered clubs is governed by the provisions of the *Registered Clubs Act*.
2. One of the requirements of the *Registered Clubs Act* is that the two clubs have to enter into a Memorandum of Understanding (MOU) which covers various matters specifically required by the *Registered Clubs Act* to be covered. The MOU can also deal with additional matters.
3. ICC and the Sailing Club have entered into a MOU and a true copy of that document is available on the webpage of ICC and copies are on display on ICC’s noticeboards at both of its current premises. Further copies may be obtained on request from the Chief Executive Officer and from reception at both of ICC’s current premises.
4. Members are encouraged to carefully read the terms of the MOU and, if they have any questions or are seeking clarification of any matter relating to the amalgamation or what is contained in the MOU, they should direct their enquiries to the Chief Executive Officer.
5. What follows in these notes is a summary of some of the principle features of the MOU and the steps that need to be followed in the amalgamation process.

Dissolution of the Sailing Club

6. The amalgamation is being effected by the dissolution of the Sailing Club and the continuation of ICC.

Corporate Governance Matters

7. The constitution of the Amalgamated Club will be the constitution of ICC, subject to amendments necessary for the purposes of the amalgamation and as specified in this MOU.
8. The Board of the Amalgamated Club will be the Board of Directors of ICC.
9. The Chief Executive Officer and Secretary of the Amalgamated Club will be the Chief Executive Officer and Secretary of ICC.

Premises of the Amalgamated Club

10. The premises of the Amalgamated Club will be the current premises of the Sailing Club (**Sailing Club Premises**) and the two (2) current premises of ICC (being ICC at Hurstville and Club Menai at 44-60 Allison Crescent Menai).
11. The Sailing Club occupies the land upon which the Sailing Club Premises are located pursuant to a Crown Lease and a Maritime Lease and the amalgamation is conditional upon Crown Lands agreeing to an assignment of both Leases to ICC.
12. On completion of the amalgamation, the Crown Lease and the Maritime lease will be assigned to ICC and it will then legally occupy the Sailing Club Premises as Lessee.
13. The traditions, amenities, culture, facilities, activities, and memorabilia of the Sailing Club will be maintained by the Amalgamated Club.
14. The Amalgamated Club will continue to support the community that was supported by the Sailing Club as at the date of the MOU and will explore opportunities to expand community support subject to the performance of the Sailing Club Premises.

15. After completion of the amalgamation, the Sailing Club Premises will continue to trade as and be promoted as "Georges River 16FT Sailing Club" This name may be changed in the future after consultation with the Sailing Operations Committee provided that the origins of the Sailing Club continue to be recognised.
16. Subject at all times to clauses 10 and 11 of the MOU (which deal with maintaining financial viability and a minimum period of ongoing trading, ICC intends to:
 - (a) immediately:
 - (i) make outstanding payments to trade creditors to bring them within ICC's trading terms (i.e., current) on the ageing analysis;
 - (ii) pay down the Australian Taxation Office (ATO) Debt (approximately two hundred and fifty thousand dollars (\$250,000)) the subject of the Deed of Arrangement between the Sailing Club and the ATO;
 - (iii) pay all outstanding amounts for insurances critical to the continued operation of the Sailing Club Premises; and
 - (iv) reimburse St George Motor Boat Club Limited the unused portion of prepaid rental under the Catering Agreement and any other costs agreed between ICC and St George Motor Boat Club Limited.
 - (b) maintain the Sailing Club Premises and carry on the business of a licensed registered club under the Registered Clubs Act and the Liquor Act at the Sailing Club Premises with all the facilities and amenities of a registered club;
 - (c) operate the Sailing Club Premises as a successful and well supported local based sporting and community club;
 - (d) undertake necessary capital works at the Sailing Club Premises with the nature, budget, and timeframe of the works to be determined by the Board of the Amalgamated Club in consultation with the Sailing Operations Committee;
 - (e) use its best endeavours to ensure that the Sailing Club Premises is the local venue of choice in Dolls Point and its surrounding areas;
 - (f) improve trading at the Sailing Club Premises;
 - (g) seek to enhance the services and social activities and undertake improvements to the amenities and facilities at the Sailing Club Premises; and
 - (h) maintain, and where possible, enhance the existing sailing activities at the Sailing Club Premises.

Sailing Club Premises Enhancements

17. Subject to obtaining all necessary permits, consents and authorities, ICC agrees to spend a minimum of ten million dollars (\$10,000,000) over ten (10) years, including approximately five million dollars (\$5,000,000) to undertake the following enhancements to the Sailing Club Premises amenities and facilities as follows:

Phase 1 – Fire Life Safety and Gaming Room Works - estimated cost of one million dollars (\$1,000,000) (immediate)

 - (a) Bring the Sailing Club Premises into compliance with the Building Code of Australia particularly with respect to fire life safety systems.
 - (b) Make application for twenty (20) additional gaming machine entitlements.
 - (c) Undertake works to relocate the gaming room to the rear of the Sailing Club Premises building and move snooker/pool further toward the beachside.
 - (d) Update of the existing forty-three (43) gaming machines upon completion of the gaming room relocation works.
 - (e) All Information Technology and Operating Systems will be updated including Gaming, POS, Payroll, Accounting, Human Resources, Events, Food and Beverage and all "Software" will be aligned with ICC existing systems.

Phase 2 – Level One Works – estimated cost of four million dollars (\$4,000,000) within the first eighteen (18) months (subject to relevant approvals)

- (f) Seek to enhance the sense of arrival at the Sailing Club Premises by constructing a new reception area;
- (g) Renew and upgrade kitchens;
- (h) Create a feature balcony the length of the Sailing Club Premises building facing the beach and Botany Bay;
- (i) Create a large continuous bar/restaurant adjoining the feature balcony;
- (j) Convert the current main bar area into a multi-use room through the installation and use of operable walls scalable to two (2) smaller rooms;
- (k) Enhance and enlarge the bar, including a dedicated TAB area.

Sailing Operations Committee

- 18. The Amalgamated Club will create a self-governing body called the Sailing Operations Committee to run the sailing operations at the Sailing Club Premises which will make recommendations to the Amalgamated Club regarding the sailing operations of the Sailing Club Premises, ClubGRANTS which are attributable to the Sailing Club Premises, membership matters relating to sailing at the Sailing Club Premises and the operation of the sailing activities at the Sailing Club Premises.
- 19. The Sailing Operations Committee will not have any governance or management powers in the Amalgamated Club, and it will be subject to the overall control and direction of the Board and management of the Amalgamated Club at all times.

Sailing Activities

- 20. The Amalgamated Club will allocate an amount of up to \$150,000 per annum comprising a combination of:
 - (a) \$50,000 cash; and
 - (b) up to \$50,000 in corporate governance measures including:
 - (c) administrative support, which will be charged out on commercial terms.
 - (d) fees payable for licenses and insurances applicable to sailing related activities;
 - (e) fees payable to relevant associations in respect of the sailing activities;
 - (f) trophies and prizes for sailing competitions and events; and
 - (g) costs associated with the maintenance and repair of sailing related areas of the Sailing Club Premises.
- 21. Subject to the annual provision of a capital expenditure plan by the Sailing Operations Committee, ICC will pay \$50,000 into a capital account for capital expenditure on sailing equipment and activities as agreed between the Sailing Club's Chairperson and ICC's CEO, such agreement not to be unreasonably withheld by either party.

Sailing Club Sub-Clubs

- 22. The Amalgamated Club will allow the existing Snooker, Golf and Darts clubs to continue to exist as sub clubs of the Amalgamated Club and continue to enjoy similar amenities, subject to patronage and usage, provided all members of those sub clubs become members of ICC.

Project Control Group

- 23. ICC has invited the Sailing Club's existing Chairperson to join ICC's Project Control Group.

Employees

- 24. ICC will give each current employee of the Sailing Club (including the Sailing Club's CEO), a written offer of employment:
 - (a) on terms no less favourable than those provided by an applicable industrial instrument; and
 - (b) otherwise on those terms generally applicable to an employee in a similar role at ICC; or

- (c) if there are no employees of ICC employed in a similar role, on the terms generally applicable to such role as ICC identifies for that employee within the Amalgamated Club,
 - (d) at least 10 Business Days prior to the anticipated date of Final Order.
25. ICC will use its best endeavours to maintain the Sailing Club Premises as the primary place of work for all employees of the Sailing Club who accept an offer of employment from ICC. However, this may change from time to time to accommodate the reasonable operational requirements of the business of the Amalgamated Club including requiring staff to work at the ICC Premises.

Intentions regarding core property, cash and investments and gaming machine entitlements of Sailing Club

Core Property

26. The Sailing Club Premises is currently core property of Sailing Club and it will also be core property of the Amalgamated Club.

Cash and Investments

27. The cash and investments of Sailing Club will be transferred to the Amalgamated Club on completion of the amalgamation other than funds sufficient to pay for the voluntary winding up of Sailing Club.

Gaming Machine Entitlements

28. The Sailing Club currently has forty-three (43) gaming machine entitlements which will become an asset of the Amalgamated Club and will remain in the Sailing Club Premises.

Ceasing trading from the Sailing Club Premises

29. ICC does not intend to cease trading from the Sailing Club Premises or cease sailing activities at the premises
30. ICC will continue to trade from the Sailing Club Premises and continue sailing activities at those premises for a minimum of ten (10) years unless:
- (a) it is not financially viable for the Amalgamated Club to continue to trade from or continue the sailing activities at the Sailing Club Premises; or
 - (b) upon the order of any court or body with jurisdiction to administer the laws in relation to liquor, gaming and registered clubs; or
 - (c) upon the lawful order of any government authority; or
 - (d) if the premises are destroyed or partially destroyed by fire, flood, storm or other similar event and any insurance claim is not reasonably sufficient to fund the construction of a new Sailing Club Premises, which is acceptable to the Board of the Amalgamated Club in its absolute discretion; or
 - (e) if the lessor of the Sailing Club Premises terminates the Perpetual Lease or does not agree to an assignment of the Perpetual Lease to the Amalgamated Club or an extension or renewal of the Perpetual Lease or the grant of a new lease to ICC with respect to the Sailing Club Premises.

De-amalgamation

31. If the Amalgamated Club wishes to cease trading from the Sailing Club Premises because the Sailing Club premises is not financially viable, the Amalgamated Club must first make an offer to the Sailing Operations Committee (as representatives of the Sailing Club Premises) for a de-amalgamation between the Amalgamated Club and the Sailing Club Premises

Admission of Sailing Club's Members to ICC

32. Eligible members of ICC will be asked to vote on the special resolution at the end of this Notice to amend the Constitution of ICC to take effect from completion of the amalgamation.
33. If passed, the Special Resolution will allow all eligible members of Sailing Club to become members of ICC as easily as legally possible. A Sailing Club member who is admitted to membership of ICC will be identified as a separate class called "Sailing Club members" but can join any category of membership to which he/she is entitled, but until that happens, will have the same rights as Social members under the Constitution of ICC.
34. In addition to this resolution, ICC will, ask eligible members to vote on a special resolution to provide that no former employee of and no contractor to the Sailing Club shall be eligible to nominate for or be elected to the Board of the Amalgamated Club for the later of four (4) years from the completion of the amalgamation or four (4) years from the date of their resignation from employment with the Sailing Club.
35. Life members of Sailing Club will be identified in the amalgamated club's records in respect of the Sailing Club Premises and they will not be required to pay an annual subscription.

The Amalgamation Process

36. Each club must hold a meeting of its members to approve the amalgamation in the same terms as the Ordinary Resolution above.
37. Assuming the members of both clubs approve the amalgamation, an application will be made to the Independent Liquor and Gaming Authority for its approval of the amalgamation. ICC will manage that application.
38. Once the approval of the Independent Liquor and Gaming Authority to the amalgamation has been obtained (and subject to due diligence and all other necessary steps being completed) there will be a formal commercial settlement. On the day of that commercial settlement the following things (among others) will happen:
 - (a) Sailing Club will transfer its assets to ICC;
 - (b) All members of Sailing Club who have consented to become members of ICC will be admitted to membership of ICC;
 - (c) Sailing Club employees who are offered and accept employment with ICC will become employees of ICC.
 - (d) The club licence under the *Liquor Act 2007* (NSW) held by Sailing Club in respect of the Sailing Club premises will be transferred to ICC;
 - (e) ICC will become responsible for the management, business and affairs of the Sailing Club Premises.
39. After completion of the amalgamation, the Sailing Club will then proceed to a members' voluntary winding up.

Procedural Matters

40. Under the relevant provisions of the Registered Clubs Act all members of ICC in all classes of membership, (other than Provisional, Honorary and Temporary members) are eligible to attend this General Meeting and vote on the Ordinary Resolution.
41. To be passed the Ordinary Resolution requires votes from a simple majority (50% plus one) of those members who being eligible to do so are present and vote on the Ordinary Resolution at the meeting.
42. The Board of ICC unanimously recommends that the members vote in favour of the Ordinary Resolution.
43. Under the *Registered Clubs Act*, members who are employees are not eligible to vote and proxy voting is prohibited.

SPECIAL RESOLUTION

That the Constitution of Illawarra Catholic Club Limited be amended by:

- (a) **inserting** the following new Rule 24(c):

"(c) *Sailing Club members.*"
- (b) **inserting** the following new Rule 27(c):

"(c) **Sailing Club members**
Sailing Club members shall be those persons who are full members (as defined in the Registered Clubs Act) of the Georges River 16ft Sailing Club Co-Op Limited and who were admitted to membership of the Club pursuant to Rule 43A for the purposes of the amalgamation between the Club and Georges River 16ft Sailing Club Co-Op Limited."
- (c) **Inserting** "and Sailing Club membership" after the words, "Social membership" and **delete** the word "class" and replace it with the word "classes" in Rule 30 (b).
- (d) **inserting** the following new Rule 43A:

"43A. (a) *Rules 39 to 43 inclusive shall not apply to a person who is admitted as a member of the Club pursuant to an amalgamation with another registered club and this Rule 43A.*

(b) *A person shall be admitted as a member of the Club pursuant to an amalgamation if that person is a full member (as defined in the Registered Clubs Act) of a registered club which has amalgamated with the Club and has agreed to be a member of the Club pursuant to the amalgamation.*

(c) *The agreement referred to in Rule 43A(b) must be in writing and to the effect that the person agrees to be a member of the Club and agrees to be bound by the Constitution and By-laws of the Club and in such form as approved by the Board from time to time.*

(d) *Any person who completes and signs the agreement referred to in Rule 43A(c) and returns that agreement to the Club shall, subject to this Constitution, be elected by a resolution of the Board to membership of the Club with effect from the date of completion of the amalgamation.*"
- (e) **inserting** the following new Rule 69 (b) (ix), "was a former employee of the Georges River 16ft Sailing Club Co-Op Limited (*"the Sailing Club"*) or a contractor to the Sailing Club for the later of four (4) years from the Completion of the Amalgamation between the Club and the Sailing Club, or four (4) years from the date of their resignation from employment with the Sailing Club."

EXPLANATORY NOTES TO MEMBERS ON THE SPECIAL RESOLUTION

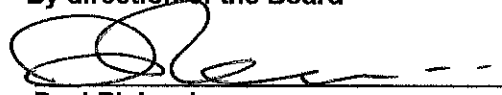
1. The Special Resolution will only be considered if the Ordinary Resolution is passed.
2. The Special Resolution proposes amendments to the Club's Constitution to enable the Sailing Club's members to become members of ICC with effect from completion of the amalgamation and to place a 4-year restriction from the date of completion of the amalgamation or cessation of employment from the Sailing Club, on former employees and or contractors to the Sailing Club from being able to nominate for or be elected to the board of the Amalgamated Club. These proposed changes are required by the MOU and, in the case of the first change, also by the *Registered Clubs Act*.
3. The Special Resolution if passed will allow members of the Sailing Club to become members of ICC pursuant to the amalgamation between ICC and the Sailing Club in the simplest way possible, that is, by invitation, which if accepted in writing, can then be acted on by the Board.
4. Once the Independent Liquor & Gaming Authority has approved the amalgamation, an invitation will be sent to all members of the Sailing Club inviting them to become members of ICC, with effect from completion of the amalgamation.
5. Shortly before completion of the amalgamation, the Board of ICC will be able to meet and by resolution admit all of the members of the Sailing Club who have accepted the invitation and by that resolution, those members will be admitted as members of ICC but only with effect from the date of completion of the amalgamation.
6. Members of the Sailing Club, who become members of ICC, will be eligible to transfer to any class of membership for which they are eligible, but if they do not transfer, they will be Social members and have all the rights of Social members.
7. A requirement of the *Registered Clubs Act* is that the members of the Sailing Club be identified as a separate class of members (notwithstanding that they may also be Club members or in other categories of membership recognised by ICC Constitution) and for this purpose they will be identified as Sailing Club members.
8. Sailing Club members will have the same rights and privileges as Social members under the Club's Constitution.
9. In addition to the above, the Special Resolution also clarifies the procedure for the admission of persons to membership of the Club pursuant to the amalgamation (see Rule 43A).
10. The Special Resolution, if passed, will also amend the Club's Constitution to provide that no former employee of and no contractor to the Sailing Club shall be eligible to nominate for or be elected to the Board of the Amalgamated Club for the later of four (4) years from the completion of the amalgamation or four (4) years from the date of their resignation from employment with the Sailing Club.

Procedural Matters

11. To be passed, the resolution requires votes from not less than three quarters of those members who being eligible to do so, vote in person on the Special Resolution at the meeting
12. Life members and financial General members are the only members eligible to vote on the Special Resolution.
13. Employees of the Club are not eligible to vote on the Special Resolution and proxy voting is prohibited.

Dated: 4th JANUARY 2022

By direction of the Board



Paul Richardson
Chief Executive Officer