

# HALEKULANI BOWLING CLUB AMALGAMATION

## Notice of General Meeting

### Notice of General Meeting

Notice is hereby given that a General Meeting of Mount Pritchard & District Community Club Ltd ABN 98 000 458 622 will be held at **11.30 am on Sunday 15 November 2020**, in the Starz Function Room at the Club's premises located at 101 Meadows Road, Mount Pritchard 2170 (and video conferenced to the Harbord Diggers premises located at 88 Evans Street, Freshwater NSW 2096).

#### Business

The business of the General Meeting will be as follows:

#### Amalgamation

1. General discussion regarding the proposed amalgamation of Mount Pritchard & District Community Club Ltd ABN 98 000 458 622 ("Mounties") and Halekulani Bowling Club Ltd ABN 18 000 294 600 ("Halekulani Bowling Club");
2. Members to consider and, if thought fit, pass Resolution 1 (set out below) approving in principle and giving effect to the amalgamation of Mounties and Halekulani Bowling Club; and
3. Subject to Resolution 1 being approved, Members to consider and, if thought fit, pass Resolution 2 (set out below) as a special resolution to amend the Constitution of Mounties to provide for the amalgamation and to give effect to the obligations of Mounties under, or related to, the amalgamation Memorandum of Understanding (MOU) entered into by Mounties and Halekulani Bowling Club;

#### Resolution 1 - Ordinary Resolution

To consider, and if thought fit, to pass the following ordinary resolution:

"That the members of Mount Pritchard & District Community Club Ltd ABN 98 000 458 622 hereby approve in accordance with section 17AEB (d) of the Registered Clubs Act ("RCA") and the Memorandum of Understanding:

1. In principle, the amalgamation of Mount Pritchard & District Community Club Ltd ABN 98 000 458 622 ("Mounties") and Halekulani Bowling Club Ltd ABN 18 000 294 600 ("Halekulani Bowling Club") with such amalgamation to be effected by:
  - a) the continuation of Mount Pritchard & District Community Club Ltd (ABN 98 000 458 622) as the amalgamated club and the dissolution of Halekulani Bowling Club Ltd (ABN 18 000 294 600);
  - b) the transfer of the Assets, Land and Liabilities of Halekulani Bowling Club Ltd (ABN 18 000 294 600) to Mount Pritchard & District Community Club Ltd (ABN 98 000 458 622); and
  - c) the transfer of the Club Licence of Halekulani Bowling Club Ltd (ABN 18 000 294 600), being the Halekulani Bowling Club's Club Licence, to Mount Pritchard & District Community Club Ltd (ABN 98 000 458 622); and
2. the making of an application under section 60 of

the Liquor Act 2007 to the Independent Liquor and Gaming Authority of NSW for the transfer of the Club Licence of Halekulani Bowling Club Ltd (ABN 18 000 294 600), being the Halekulani Bowling Club's Club Licences, to Mount Pritchard & District Community Club Ltd (ABN 98 000 458 622) for the purposes of such amalgamation.

and for the purposes of this resolution unless the context otherwise requires the capitalised terms have the meanings as set out in the Memorandum of Understanding between Halekulani Bowling Club Ltd (ABN 18 000 294 600) and Mount Pritchard & District Community Club Ltd (ABN 98 000 458 622) especially noting the following definitions:

"Halekulani Bowling Club's Club Licences" means all Club Licences held by Halekulani Bowling Club including without limitation the Club Licence for Halekulani Bowling Club Premises being LIQC300240576; and

"Land" means all land which Halekulani Bowling Club owns, has an interest in or contractual entitlement to, as at the date of Completion, and must include, without limitation: a) Lot 1 in DP 859618; b) Lot 2 in DP 859618; c) Lot 2196 in DP 30673; d) Lot 2190 in DP 30673; e) Lot 2191 in DP 30673; f) Lot 2195 in DP 30673; and g) Lot 2194 in DP 30673.

"Liabilities" means all liabilities (actual or contingent), losses, damages, outgoings, costs and expenses of Halekulani Bowling Club (whatever description)."

#### Explanatory Notes To Members On Resolution 1 General

1. At the General Meeting the members will be asked to consider Resolution 1 in relation to:
  - a) the proposed amalgamation of Mounties and Halekulani Bowling Club;
  - b) the transfer of the club licences of Halekulani Bowling Club to Mounties; and
  - c) the making of an application to the Independent Liquor and Gaming Authority for the purpose of approving the amalgamation.
2. Amalgamation between two registered clubs, such as is proposed, is governed by the provision of the Registered Clubs Act 1976 ("the Registered Clubs Act").
3. One of the requirements of the Registered Clubs Act is that the two amalgamating clubs have entered into a legally binding Memorandum of Understanding which covers various matters required by the Registered Clubs Act to be addressed and agreed between the clubs. The Memorandum of Understanding can also deal with additional matters.
4. Mounties and Halekulani Bowling Club have entered into a Memorandum of Understanding dated 1 October 2020 and a copy of that document is available on:
  - a) the Mounties website at [www.mountiesgroup.com.au](http://www.mountiesgroup.com.au); and
  - b) the Halekulani Bowling Club website at

www.halibowling.com.au.

5. The Memorandum of Understanding is also available for inspection on Club premises on request by contacting the Group Chief Executive Officer of Mounties.
6. Prior to entering into the Memorandum of Understanding and in accordance with the requirement of Regulation 4(5) of the Registered Clubs Regulations 2015 Mounties notified Mounties members of any other expressions of interest or merger offers it has received in the previous 12 months by placing a notice on its website and notice boards. These are still available for review by Mounties members at such locations.
7. Members are encouraged to carefully read the terms of the Memorandum of Understanding. If they have any questions or wish to seek clarification in relation to any matter relating to the amalgamation or what is contained within the Memorandum of Understanding, they should direct their enquiries to the Group Chief Executive Officer of Mounties by email to ceo@mountiesgroup.com.au.
8. The amalgamation between Mounties and Halekulani Bowling Club can only proceed if the members of both Halekulani Bowling Club and Mounties approve the amalgamation process. The members of Mounties give their approval to the amalgamation component by passing Resolution 1 to approve the amalgamation in principle.
9. What follows in these notes is a summary of some of the principal features of the Memorandum of Understanding that has been entered into and will need to be complied with by Mounties as well as the steps that need to be followed to give effect to the amalgamation process and to form the amalgamated club ("the Amalgamated Club").

#### **Key Features of the Memorandum of Understanding**

10. The key features of the proposal as set out in the MOU are summarised as follows:
  - a) The amalgamation will result in the dissolution of Halekulani Bowling Club as a company and the continuation of Mounties as the body corporate of the Amalgamated Club.
  - b) Halekulani Bowling Club's premises will become additional premises of Mounties and will be available to all members of the Amalgamated Club.
  - c) The Board of Mounties will be the Governing Body of the Amalgamated Club and the Chief Executive Officer of Mounties will be the Chief Executive Officer of the Amalgamated Club.
  - d) The members of Halekulani Bowling Club will become members of Mounties if they accept an invitation to become a member. The restrictions that usually apply to new members of Mounties will apply.
  - e) The MOU is subject to ongoing conditions precedent that need to be satisfied including finalisation of satisfactory due diligence by Mounties Group.
  - f) Either party to the MOU may terminate the MOU if either the members of Halekulani Bowling Club do not pass the required resolutions to approve the amalgamation within 18 months from the execution of the MOU or if Mounties members do not pass the required resolutions to approve the amalgamation within 18 months of the date the Halekulani Bowling Club members passing the required resolutions.
  - g) Mounties has undertaken, subject to the terms and conditions of the MOU, to do the following:

- i. maintain the traditions and memorabilia of Halekulani Bowling Club;
  - ii. continue to contribute community support donations to the local community in accordance with the Mounties Club Grants program;
  - iii. develop a masterplan for the future of the Halekulani Bowling Club premises, and the Land. Any such masterplan will include the reinstatement of Halekulani Bowling Club and will also include on the Land bowling facilities for use by members;
  - iv. fund the cost of design and construction of an undercover synthetic green which is to be built on completion of the master planning from any cash balance transferred to Mounties on completion (with any residual to then be allocated to the cash balance of the Amalgamated Club);
  - v. an upgrade of the Halekulani Bowling Club premises, gaming installation, operational and reporting systems and practices to a standard to remain competitive with other local club venues including:
    - within six (6) months of Completion of the Amalgamation
      - (a) exterior update to the Halekulani Bowling Club Premises;
      - (b) foyer update;
      - (c) main lounge update;
      - (d) new member pricing;
      - (e) marketing campaign;
      - (f) staff training;
    - within twelve (12) months of completion of the Amalgamation
      - (g) new staff uniforms;
      - (h) introduction of marketing technology;
      - (i) member surveys;
      - (j) staff engagement & feedback;
      - (k) commencement of master planning; and
      - (l) sports bar update
  - vi. carry on the business of a licensed registered club at Halekulani Bowling Club premises with all the facilities and amenities of a registered club;
  - vii. continue to offer bowling facilities for sub-club use as a sport either at the Halekulani Bowling Club Bowling premises or on the associated land (subject to any period of closure required for redevelopment).
- h) Mounties does not intend subject to the terms and conditions of the MOU to:
- i. cease trading from the Halekulani Bowling Club Premises (other than as may be commercially required for any redevelopment work); and/or
  - ii. cease bowls or other sporting activities conducted at the Halekulani Bowling Club Premises provided with respect to bowling there are sufficient active bowling members, who are registered with either the Royal New South Wales Bowling Association or New South Wales Women's Bowling Association, to justify continuation and with respect to other

sporting activities there are sufficient active members to justify continuation.

- i) On completion, the Amalgamated Club will establish a “sub-club” to be known as “Halekulani Bowling Club Sub Club” with the committee of the Halekulani Bowling Club Sub Club to consist of up to seven (7) members of the Board of Halekulani Bowling Club as nominated by such Board immediately prior to Completion. The committee will consist at all times of not less than four (4) and not more than seven (7) members.
- j) All committee members of the Halekulani Bowling Club Sub Club must be active bowling members who are registered with either the Royal New South Wales Bowling Association or New South Wales Women’s Bowling Association, and who bowl at the Halekulani Bowling Club Premises, except if there are insufficient number of such active bowling members willing to nominate for election to the committee in which case any member may nominate for election to the Halekulani Bowling Club Sub Club committee.
- k) For at least three (3) years post completion the Halekulani Bowling Club committee will provide advice to the Mouties CEO in relation to the Halekulani Bowling Club Premises and will thereafter continue to do so on an ongoing basis subject to continuing approval of the Board of the Amalgamated Club and provided that a sufficient number of members continue to stand for the committee.
- l) The Amalgamated Club will make a yearly bowls budget allocation for the Halekulani Bowling Club Premises of \$300,000 for greens upkeep, presentation night, pennants allowance and green fees to offset additional costs however continuing allocation of funds will be fixed to the number of active bowling members, who are also registered with either the Royal New South Wales Bowling Association or New South Wales Women’s Bowling Association, and adjusted accordingly if such number increases or decreases.
- m) Mouties will allow any sub-clubs of Halekulani Bowling Club to continue to exist provided all members of those sub-clubs become members of Mouties.
- n) Any sub-clubs that continue will be gifted by Mouties into their new bank accounts set up by Mouties after Completion the amounts of funds that they held in their bank accounts, as held by Halekulani Bowling Club, immediately prior to completion of the amalgamation.
- o) The Club Licence of Halekulani Bowling Club will be transferred to Mouties under section 60A of the Liquor Act 2007. All assets of Halekulani Bowling Club will be transferred to Mouties in accordance with the MOU.
- p) Mouties will offer employment to all of Halekulani Bowling Club’s employees on terms no less favourable than their existing terms of employment although to meet the demands of the business of the Amalgamated Club, some employees may be offered employment with different titles, responsibilities, hours of work, place of work and times of work.
- q) Any employee of Halekulani Bowling Club who accepts the offer of employment with Mouties will receive continuity of employment within any Mouties’ Club based on the Central Coast of New South Wales, and their accrued entitlements as employees of Halekulani Bowling Club will be honoured by Mouties.
- r) Any employee of Halekulani Bowling Club who does not accept the offer of employment with Mouties will be paid their full entitlements by Halekulani Bowling Club when their employment with Halekulani Bowling Club comes to an end.
- s) If the members of both Halekulani Bowling Club and Mouties pass the resolutions required to be passed under the terms of the MOU an application will then be lodged with the Independent Liquor and Gaming Authority to seek approval of the transfer of Halekulani Bowling Club’s Club Licence to Mouties.
- t) If the Independent Liquor and Gaming Authority is satisfied that the amalgamation can proceed, it will grant approval of the transfer of Halekulani Bowling Club’s Club Licence to take effect upon the completion of the commercial matters required to complete the amalgamation and condition precedents (as contained in the MOU).
- u) The assets and liabilities of Halekulani Bowling Club will then be transferred to Mouties as contemplated in the MOU and the members of Halekulani Bowling Club will be invited by Mouties to become members of Mouties.
- v) The invitation to membership of Mouties is required because under the Corporations Act 2001 a person cannot become a member of a company if that person has not consented to membership. In other words, if Mouties simply made all of Halekulani Bowling Club’s members, members of Mouties without their consent, Mouties would be committing an offence.
- w) Following amalgamation completion Halekulani Bowling Club will proceed to liquidation and be wound up.

#### **Requirement for Resolution 1**

11. Under the Registered Clubs Act, without limiting section 60 of the Liquor Act 2007, the Independent Liquor and Gaming Authority cannot approve of the transfer of the licence of a dissolved club (Halekulani Bowling Club) unless the Authority is satisfied that:
  - a. the parent club (Mouties) will meet the requirements set out in section 10(1) the Registered Clubs Act, and
  - b. the parent club (Mouties) will be financially viable, and
  - c. the proposed amalgamation is in the interests of the members of each of the clubs that are amalgamating, and
  - d. the proposed amalgamation has been approved in principle at separate extraordinary general meetings of the ordinary members of each of the clubs proposing to amalgamate (being in each case an approval supported by a majority of the votes cast at the meeting).
12. Resolution 1 proposed in this Notice of General Meeting is required for the purposes of section 17AEB(d) of the Registered Clubs Act and the amalgamation between Mouties and Halekulani Bowling Club cannot proceed until the ordinary members of both clubs have approved the amalgamations of their clubs at separate general meetings.

#### **Procedural Matters in Relation to the proposed Ordinary Resolution**

13. The Registered Clubs Act requires the proposed amalgamation is to “be approved in principle at separate extraordinary general meetings of the

ordinary members of each of the clubs proposing to amalgamate.” The term “ordinary members” essentially means all members in all classes of membership (excluding employees of Mounties), other than Honorary members, Temporary members and Provisional members.

14. Accordingly, all members in all classes of membership (excluding employees of Mounties), other than Honorary members, Temporary members and Provisional members are eligible to attend the extraordinary general meeting and vote on Resolution 1. This is despite any provision in the Constitution of Mounties that restricts voting rights for certain classes of membership.
15. To be passed, Resolution 1 requires votes from a simple majority of eligible members (50% + 1) present and voting on the Ordinary Resolution at the meeting.
16. Members should read the Explanatory Notes to Members set out above which explains the general nature and effect of Resolution 1. Members should also read in full the Memorandum of Understanding between Mounties and Halekulani Bowling Club.
17. Please direct any question or concerns about Resolution 1 in writing to the Group Chief Executive Officer Manager of Mounties by email to [ceo@mountiesgroup.com.au](mailto:ceo@mountiesgroup.com.au), if possible, before the General Meeting.
18. Proxy Votes are not allowed under the Registered Clubs Act nor the Constitution of Mounties.
19. The Board of Directors of Mounties recommends that members vote in favour of Resolution 1.

### **Resolution 2 – Special Resolution**

Subject to the approval of Resolution 1, to consider, and if thought fit, to pass the following special resolution:

“That, on and from the date that the Independent Liquor & Gaming Authority approves the amalgamation between Mounties and Halekulani Bowling Club, the Constitution of the Mounties be amended by:

1. Inserting a new Rule 23(f) as follows:  
“(f) A person who:
  - (i) is a financial full member of the Club, or, who makes application and is elected as a full member of the Club in accordance with the Memorandum of Understanding for amalgamation between the Club and Halekulani Bowling Club Ltd ABN 18 000 294 600 (Halekulani Bowling Club); and
  - (ii) is a financial full member (as defined in the Registered Clubs Act) of Halekulani Bowling Club and whose name is entered in the register of members of Halekulani Bowling Club, on the date of transfer of the club licences of Halekulani Bowling Club to the Club by the Independent Liquor and Gaming Authority;will:
  - (iii) for the purposes of the Registered Clubs Act only, be identified in the Club’s register of members as a ‘Halekulani Bowling Club Member’; and
  - (iv) be given credit for any annual subscription pre-paid in respect of their membership of Halekulani Bowling Club.”
  2. To make any formatting, grammar and numbering changes to the amendment and Constitution to give effect to Part 1 of this resolution.”

### **Explanatory Notes To Members Resolution 2**

1. The Special Resolution being Resolution 2 will only be considered if the Ordinary Resolution which is Resolution 1 is passed to approve the

amalgamation in principle.

2. This Special Resolution will allow all financial full members of Halekulani Bowling Club to be able to join Mounties in any existing class of Mounties membership for which they meet the eligibility requirements, as part of the amalgamation process.
3. Halekulani Bowling Club members who have paid their subscription for Halekulani Bowling Club in advance will be given credit, on a pro-rata basis, for any unexpired portion of their membership subscription amounts paid to Halekulani Bowling Club.
4. Section 17AC(2) of the Registered Clubs Act requires Mounties to establish the members of Halekulani Bowling Club who transfer to Mounties in the amalgamation process as a separate class for the purposes of identification, and the Special Resolution identifies them as ‘Halekulani Bowling Club Members’.
5. The rights of existing Mounties members will not be changed by this Special Resolution in any way.
6. The amalgamation will not proceed unless both the Ordinary Resolution being Resolution 1 and this Special Resolution being Resolution 2 are both passed.

### **Procedural Matters in relation to Resolution 2**

1. To be passed, Resolution 2 requires votes in favour of not less than 75% by those members present who are eligible to vote on Resolution 2.
2. Employees of Mounties are not eligible to vote on Resolution 2.
3. Financial Life Members and financial Club Members, such Club Members having at least five (5) years continuous membership of the Club as at the date of the General Meeting, and who are present and vote at the General Meeting are entitled to vote on the Special Resolution.
4. Employees are prohibited from voting and proxy voting is prohibited under the Registered Clubs Act.
5. Members should read the Explanatory Notes to Members set out above which explains the general nature and effect of Resolution 2.
6. Please direct any question or concerns about Resolution 2 in writing to Mounties Group CEO by email to [ceo@mountiesgroup.com.au](mailto:ceo@mountiesgroup.com.au), if possible, before the General Meeting.
7. Proxy Votes are not allowed under the Registered Clubs Act or the Constitution of Mounties.
8. The Board of Directors of Mounties recommends that members vote in favour of Resolution 2.

By order of the board



**Dale William Hunt**  
**Group Chief Executive Officer and Secretary**  
9 October 2020

