

WEST PENNANT HILLS SPORTS 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 **11.45am 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 West Pennant Hills Sports Club Ltd ABN 50 000 609 450 ("WPH Sports 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 WPH Sports 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 WPH Sports 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 West Pennant Hills Sports Club Ltd ABN 50 000 609 450 ("WPH Sports 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 West Pennant Hills Sports Club Ltd (ABN 50 000 609 450);
 - b. the transfer of the Assets, Land and Liabilities of West Pennant Hills Sports Club Ltd (ABN 50 000 609 450) to Mount Pritchard & District Community Club Ltd (ABN 98 000 458 622); and
 - c. the transfer of the Club Licence of West Pennant Hills Sports Club Ltd (ABN 50 000 609 450), being the WPH Sports 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 Club Licence of West Pennant Hills Sports Club Ltd (ABN 50 000 609 450), being the WPH Sports Club's Club Licence, 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 West Pennant Hills Sports Club Ltd (ABN 50 000 609 450) and Mount Pritchard & District Community Club Ltd (ABN 98 000 458 622) especially noting the following definitions:

"WPH Sports Club's Club Licence" means all Club Licences held by WPH Sports Club including without limitation the Club Licence for WPH Sports Club Premises being LIQC300231372; and

"Land" means all land which WPH Sports Club owns, has an interest in or contractual entitlement to, as at the date of Completion, and must include, without limitation: a) Lot 2 in DP 367373; b) Lot 10 in DP 262492; and c) Lot 2 in DP 612896.

"Liabilities" means all liabilities (actual or contingent), losses, damages, outgoing, Employee Entitlements, costs and expenses of WPH Sports 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 WPH Sports Club;
 - b) the transfer of the club licence of WPH Sports 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 WPH Sports Club have entered into a Memorandum of Understanding dated 4 October 2020 and a copy of that document is available on:
 - a) the Mounties website at www.mountiesgroup.com.au; and
 - b) the WPH Sports Club website at

www.wphsportsclub.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 WPH Sports Club can only proceed if the members of both WPH Sports 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 WPH Sports Club as a company and the continuation of Mounties as the body corporate of the Amalgamated Club.
 - b) WPH Sports 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 WPH Sports 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 WPH Sports 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 of the WPH Sports 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 WPH Sports Club;
 - ii. continue to contribute community support donations to the local community of WPH Sports Club in accordance with the Mounties ClubGrants program;
 - iii. develop a masterplan for the future of the WPH Sports Club Premises and the Land with such masterplan to include the reinstatement of WPH Sports Club and will also include on the Land bowling facilities including a minimum of two (2) bowling greens for use by members;
 - iv. conduct a masterplan process in relation to the WPH Sports Club Premises and the Land and agrees to incorporate Stages 1B and 1C from the existing masterplan, and the acquisition of 111-113 New Line Rd, into the Amalgamated Club's masterplan for the WPH Sports Club Premises following Completion;
 - v. the masterplan process will consider the redevelopment of the WPH Sports Club Premises and the Land, to ensure the ongoing viability of the Business and will involve an appropriate market research and member consultation process, to be commenced within 6 months of amalgamation completion and completed within 36 months of amalgamation completion, to confirm the relevance of the existing masterplan components and the appropriateness of their inclusion into the masterplan and whether any alternative options should be considered to enhance or improve the existing masterplan given Mounties financial capacity, club asset management expertise and prior experience in club redevelopment. The outcome of the masterplan must include a state of the art registered club on the Land;
 - vi. carry on the business of a licensed registered club at WPH Sports 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 WPH Sports Club 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 WPH Sports 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 WPH Sports 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) Mounties will allow any sub-clubs of WPH

Sports Club to continue to exist provided all members of those sub-clubs become members of Mounties.

- j) On completion, the Amalgamated Club will establish a "sub-club" to be known as "WPH Sports Club Sub Club" which will initially consist of four (4) members of the Board of WPH Sports Club as nominated by such Board immediately prior to Completion and thereafter such committee will be elected annually by the members of the WPH Sports Club Sub Club.
- k) The Amalgamated Club will provide the WPH Sports Club Sub Club with funding each financial year to be used by it to support WPH Sports Club including bowling, golfing or any other sport with sufficient active member participation subject to, and conditional upon, WPH Sports Club Sub Club having first provided to the Amalgamated Club a proposed budget and expenditure plan for that financial year demonstrating the proposed use of such funds and such proposed budget has been approved in writing by the Board of the Amalgamated Club.
- l) The Amalgamated Club will, where availability of invitations permit, invite two (2) members of the committee of the WPH Sports Club Sub Club to attend ClubsNSW and other key industry events along with an Amalgamated Club nominated manager with responsibility for the WPH Sports Club Premises following Completion.
- m) For a minimum of five (5) years post completion the WPH Sports Club Sub Club committee will provide advice to the Mounties CEO in relation to the WPH Sports Club Premises and will thereafter continue to do so on an ongoing basis subject to continuing approval of the Board of the Amalgamated Club.
- n) The Club Licence of WPH Sports Club will be transferred to Mounties under section 60A of the Liquor Act 2007. All assets of WPH Sports Club will be transferred to Mounties in accordance with the MOU.
- o) Mounties will offer employment to all of WPH Sports 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.
- p) Any employee of WPH Sports Club who accepts the offer of employment with Mounties will receive continuity of employment, and their accrued entitlements as employees of WPH Sports Club will be honoured by Mounties.
- q) Any employee of WPH Sports Club who does not accept the offer of employment with Mounties will be paid their full entitlements by WPH Sports Club when their employment with WPH Sports Club comes to an end.
- r) If the members of both WPH Sports Club and Mounties 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 WPH Sports Club's Club Licence to Mounties.
- s) If the Independent Liquor and Gaming Authority is satisfied that the amalgamation can proceed, it will grant approval of the

transfer of WPH Sports 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).

- t) The assets and liabilities of WPH Sports Club will then be transferred to Mounties as contemplated in the MOU and the members of WPH Sports Club will be invited by Mounties to become members of Mounties.
- u) The invitation to membership of Mounties 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 Mounties simply made all of WPH Sports Club's members, members of Mounties without their consent, Mounties would be committing an offence.
- v) Following amalgamation completion WPH Sports 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 (WPH Sports Club) unless the Authority is satisfied that:
 - a. the parent club (Mounties) will meet the requirements set out in section 10(1) the Registered Clubs Act, and
 - b. the parent club (Mounties) 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 Mounties and WPH Sports 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 WPH Sports 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, 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 WPH Sports Club, the Constitution of the Mounties be amended by:

1. Inserting a new Rule 23(g) as follows:
“(g) 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 West Pennant Hills Sports Club Ltd ABN 50 000 609 450 (WPH Sports Club); and
 - (ii) is a financial full member (as defined in the Registered Clubs Act) of WPH Sports Club and whose name is entered in the register of members of WPH Sports Club, on the date of transfer of the club licence of WPH Sports 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 ‘WPH Sports Club Member’; and
 - (iv) be given credit for any annual subscription pre-paid in respect of their membership of WPH Sports 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 WPH Sports 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. WPH Sports Club members who have paid their subscription for WPH Sports Club in advance will be given credit, on a pro-rata basis, for any unexpired portion of their membership subscription amounts paid to WPH Sports Club.
4. Section 17AC(2) of the Registered Clubs Act requires Mounties to establish the members of

WPH Sports 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 ‘WPH Sports 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, 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

