

LAKE CATHIE BOWLING & RECREATION CLUB LIMITED

ACN 000 995 595

NOTICE OF GENERAL MEETING

NOTICE is hereby given of a General Meeting of **LAKE CATHIE BOWLING & RECREATION CLUB LIMITED** to be held at the Club's premises located at 45 Evans Street, Lake Cathie on **Sunday 2 February** commencing at **10:00am**.

BUSINESS

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

PROCEDURAL MATTERS

1. In accordance with section 17AEB(d) of the Registered Clubs Act, all members of the Club (except for Honorary, Temporary and Provisional members) can attend the general meeting and vote on the Ordinary Resolution.
 2. To be passed, the Ordinary Resolution requires votes from a simple majority (50% plus one) of those members who being eligible to do vote in person on the Ordinary Resolution at the meeting.
 3. Under the Registered Clubs Act (**RCA**), employees cannot vote, and proxy voting is prohibited.
 4. The Board recommends members vote in favour of the amalgamation and the Ordinary Resolution.
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ORDINARY RESOLUTION

That the members of Lake Cathie Bowling & Recreation Club Ltd hereby:

1. approve in principle the amalgamation of Lake Cathie Bowling & Recreation Club Ltd ABN 65 000 995 595 (**LCBRC**) with Dubbo RSL Memorial Club Ltd ABN 18 000 965 355 (**DRSL**) such an amalgamation to be effected by:
 - (a) the continuation of DRSL (as the amalgamated club) and the dissolution of LCBRC;
 - (b) the transfer of LCBRC's assets (including land and leases held by LCBRC) to DRSL; and
 - (c) the transfer of the club licence of LCBRC to DRSL;
 2. approve in principle the making of an application to the Independent Liquor and Gaming Authority (**Authority**) for the transfer of the club licence of LCBRC to DRSL for the purposes of such an amalgamation.
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EXPLANATORY NOTES TO MEMBERS ON ORDINARY RESOLUTION

1. An amalgamation between two registered clubs is governed by the RCA.
2. The RCA requires clubs which are proposing to amalgamate to enter into a Memorandum of Understanding (**MOU**) setting out the terms of the proposed amalgamation.
3. LCBRC and DRSL have entered into a MOU.
4. The MOU is available on the Club's noticeboard and website and hard copies of the MOU are available upon request from the Club.
5. 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 Board of the Club.

Summary of the Principle Features of the Amalgamation

6. Set out below is a summary of some of the principle features of the MOU.

Corporate Entity for Amalgamated Club

7. The amalgamation is being effected by the dissolution of LCBRC and the continuation of DRSL as the corporate vehicle of the Amalgamated Club.

Constitution and Management of Amalgamated Club

8. The Constitution of the Amalgamated Club will be the constitution of DRSL.

9. The Board and Chief Executive Officer of the Amalgamated Club will be the Board and Chief Executive Officer of DRSL.

10. The Amalgamated Club will appoint LCBRC's CEO as the approved manager for the LCBRC's premises (**LCBRC Premises**).

Premises and Facilities

11. The Amalgamated Club will trade from DRSL's existing premises and the LCBRC Premises.

12. The LCBRC Premises will continue to be named and trade as "Lake Cathie Bowling and Recreation Club".

13. The Amalgamated Club will maintain the LCBRC Premises and carry on the business of a licensed registered club with the usual facilities and amenities of a registered club.

14. The Amalgamated Club will undertake the following upgrades, replacements, refurbishments and renovations to the LCBRC Premises and facilities:

- (a) renovate the functions room area to ensure proper segregation from non-functions areas of the LCBRC Premises within three (3) years after Amalgamation Completion;
- (b) install minor kitchen equipment as considered necessary and appropriate within two (2) years after Amalgamation Completion;
- (c) renovate the bathrooms in the Clubhouse within three (3) years after Amalgamation Completion;
- (d) renovate the front entrance to reception of the Clubhouse within three (3) years after Amalgamation Completion;
- (e) upgrade and replace the gaming machines installed at the LCBRC Premises immediately or as soon as is practicably possible after Amalgamation Completion; and
- (f) create a larger outdoor gaming area to accommodate a better installation of gaming machines immediately or as soon as is practicably possible after Amalgamation Completion.

15. The Amalgamated Club will introduce its existing members benefits programs at the LCBRC Premises.

16. DRSL (as the Amalgamated Club) will accept the assignment of the contracts for the current bistro caterer and Bowls Co-Ordinator at the LCBRC Premises.

Payment of Subscriptions

17. DRSL will treat any annual subscriptions which have been paid to LCBRC for the subscription period current as at the date of the Amalgamation Completion as being annual subscriptions which have been paid to the Amalgamated Club. This will also apply to any multi-year membership subscriptions.

Traditions, Amenities and Community Support

18. The traditions, amenities and memorabilia of LCBRC will be maintained by the Amalgamated Club at the LCBRC Premises.

19. Any honour boards at the LCBRC Premises may be displayed in their present form, electronically or in such other manner agreed by the Amalgamated Club and the Advisory Committee.

20. The Amalgamated Club will explore opportunities to maintain and enhance community support to the local community of the LCBRC Premises.

Advisory Committee

21. The Board of the Amalgamated Club will create the Lake Cathie Bowling and Recreation Club Advisory Committee (**Advisory Committee**) for the LCBRC Premises, and it will operate for a minimum of three (3) years.
22. The initial Advisory Committee will comprise DRSL's CEO and three (3) directors of LCBRC (being the Chairperson and two (2) Deputy Chairpersons).
23. The Advisory Committee will be elected biennially (that is, every two (2) years).
24. Only members of the Amalgamated Club who were members of LCBRC as at Amalgamation Completion can hold office on the Advisory Committee and vote in the election of the Advisory Committee.
25. With effect from the first election of the Advisory Committee, the Advisory Committee will comprise the approved manager of the LCBRC Premises, DRSL's CEO and three (3) LCBRC members.
26. The Advisory Committee may make any recommendations to the Board and management of the Amalgamated Club regarding the following matters:
 - (a) the operations of the LCBRC Premises; and
 - (b) ClubGRANTS to be made by the Amalgamated Club that are attributable to the LCBRC Premises;
 - (c) membership matters at the LCBRC Premises (including member disciplinary matters);
 - (d) the engagement and relationships with community clubs and sponsored sporting clubs.
27. The Board of the Amalgamated Club may allow the Advisory Committee to hear and determine disciplinary matters relating to LCBRC members and the LCBRC Premises.
28. The Advisory Committee will:
 - (a) not have any governance or management powers in the Amalgamated Club (unless such powers are delegated to it); and
 - (b) be subject to the overall control and direction of the Board and management of the Amalgamated Club at all times.

Bowling Activities and Bowling Sub Club

29. DRSL (as the Amalgamated Club) will create "Lake Cathie Bowling Club" as a sub club of the Amalgamated Club (**Bowling Sub Club**).
30. The Bowling Sub Club will be eligible to affiliate with BowlsNSW or such other bodies controlling bowls in New South Wales.
31. For at least the first two (2) years after Amalgamation Completion:
 - (a) the green fees at the LCBRC Premises will remain at \$15.00 per player; and
 - (b) the Bowling Sub Club will retain \$10.00 from each green fees per player.
32. After the second anniversary of Amalgamation Completion, any increase in green fees and/or the portion or percentage of the green fees to be retained by the Bowling Sub-Club will be determined by the Board of the Amalgamated Club. However, the Bowling Sub Club will be entitled to retain sufficient funds from the green fees collected at the LCBRC Premises to ensure the proper management, administration and operation of the sub club and its activities.
33. The Amalgamated Club will be responsible for the costs for the maintenance and repair of the bowling greens and surrounds (including any upgrades or refurbishments which may be required from time to time).

Other Sub Clubs

34. The Amalgamated Club will create the fishing and social golf sub clubs at the LCBRC Premises as sub clubs of the Amalgamated Club and it will support the activities of those sub clubs.

Employees of LCBRC

35. LCBRC's employees will be offered employment with DRSL and those employees who accept the offer of employment will receive continuity of employment and their accrued entitlements while employees of LCBRC will be preserved and they will be honoured by DRSL as if those employees had been employees of DRSL.
36. Any employee of LCBRC who does not accept the offer of employment with DRSL will be paid out their entitlements on or before Amalgamation Completion.

Transfer of LCBRC's Assets, Debts and Liabilities

37. LCBRC will transfer its assets debts and liabilities to DRSL (as the Amalgamated Club) with effect from Amalgamation Completion and in accordance with the terms of the MOU.

Transfer of LCBRC's Land

38. As part of the amalgamation, LCBRC must transfer its land to DRSL (as the Amalgamated Club).
39. LCBRC's land comprises land which is owned by the Club (**Freehold Land**) and land which is occupied by LCBRC under Crown Leases with the Department of Crown Lands (**Leasehold Land**).
40. As at Amalgamation Completion:
 - (a) ownership of the Freehold Land will be transferred to DRSL; and
 - (b) the Crown Leases for the Leasehold Land will be assigned (transferred) to DRSL.

Intentions regarding LCBRC's major assets and core property

41. For the purposes of the RCA, LCBRC's land (including the LCBRC Premises) is currently "core property" and a major asset of LCBRC.
42. As and from Amalgamation Completion, LCBRC's land (including the LCBRC Premises) will become core property of the Amalgamated Club.

Intentions regarding LCBRC's cash and investments

43. LCBRC's cash and investments (if any) will be transferred to the general reserves of the Amalgamated Club.

Intentions regarding LCBRC's gaming machine entitlements (GMEs)

44. LCBRC has thirty-six (36) GMEs and ownership of those GMEs will be transferred to DRSL (as the Amalgamated Club) on Amalgamation Completion.
45. The Amalgamated Club must retain the thirty-six (36) GMEs at the LCBRC Premises for at least the first three (3) years after Amalgamation Completion.
46. After the first three (3) years after Amalgamation Completion, the Amalgamated Club will retain an appropriate number of the GMEs at the LCBRC Premises, provided that any reduction in GMEs must not adversely affect the financial viability of the LCBRC Premises.

Cessation of Trade from the LCBRC Premises

47. The Amalgamated Club does not intend to cease trading from the LCBRC Premises, and it must trade from the premises for a minimum period of three (3) years after Amalgamation Completion.
48. However, the Amalgamated Club may cease trading at the LCBRC Premises if:
 - (a) in the fourth and fifth years after Amalgamation Completion, the EBITDA attributable to the premises is below 9% in a financial year of the Amalgamated Club; or
 - (b) after the sixth anniversary of Amalgamation Completion, the Board of the Amalgamated Club determines that continued trading from the LCBRC Premises is not in the best interests of the Amalgamated Club because trading from the LCBRC Premises is not financially viable or because the overall financial viability of the Amalgamated Club is threatened by continuing to trade from the LCBRC Premises.
 - (c) if any time after Amalgamation Completion:
 - (i) the Crown Leases are terminated by the landlord/Crown Lands; or

- (ii) the terms and conditions of the Crown Leases (other than the rent payable) are materially amended by the landlord/Crown Lands to the dissatisfaction of the Board of the Amalgamated Club, acting reasonably; or
 - (iii) the easement referred to in clause 6 of the MOU is amended or extinguished in a manner which is adverse to the interests of DRSL without the agreement of the Amalgamated Club; or
 - (iv) Crown Lands seeks any additional compensation for the easement or the clubhouse encroachment referred to in clause 6 of the MOU;
- (d) upon the order of any court or body with jurisdiction to administer the laws in relation to liquor, gaming and registered clubs;
 - (e) upon the lawful order of any government agency to permanently cease trading from the LCBRC Premises, or revoking any licence, approval or consent necessary for the Amalgamated Club to continue trading from the LCBRC Premises and it is not reasonably for the relevant licences, approvals or consents to be obtained;
 - (f) if the LCBRC Premises were destroyed or partially destroyed by fire, flood, storm or other similar event such that it is not lawful for a licensed registered club to be operated from the LCBRC Premises except where appropriate insurance cover is available to reinstate or rebuild the LCBRC Premises, including the Clubhouse, to at least the same level and standard that the LCBRC Premises and Clubhouse were at Amalgamation Completion, or where it is otherwise economically viable to do so;
 - (g) if required to avoid an insolvency event occurring in respect of the Amalgamated Club as determined by an independent company auditor.

Due Diligence Investigations of DRSL

- 49. DRSL is currently undertaking due diligence investigations of LCBRC and those due diligence investigations must be completed by 2 February 2025 (being the date of LCBRC's general meeting).
- 50. If DRSL is not satisfied with the outcome of its due diligence investigations, it can provide written notice to LCBRC on or before 2 February 2025 that it terminates the MOU and that it will not proceed with the amalgamation.

Transfer of LCBRC's members

- 51. Before Amalgamation Completion, DRSL will invite all members of LCBRC to become members of DRSL (as the Amalgamated Club) with effect from Amalgamation Completion.
- 52. Those members of LCBRC who provide their written consent to becoming a member of DRSL will become a member of DRSL (as the Amalgamated Club) with effect from Amalgamation Completion.
- 53. Life members of LCBRC will not become Life members of the Amalgamated Club. However, they will be recognised as Life members of the LCBRC Premises and the relevant sub clubs and they will not be required to pay any annual subscription to the Amalgamated Club.
- 54. For the purposes of the RCA, all transferring members of LCBRC will be identified in DRSL's membership register as "Lake Cathie Bowling & Recreation Club members."

Termination Rights

- 55. A club may terminate the MOU (and not proceed with the amalgamation) immediately by giving notice to the other club if:
 - (a) the members of either club do not pass the necessary resolutions for the amalgamation;
 - (b) the Authority refuses the Amalgamation Application;
 - (c) Amalgamation Completion does not occur within twelve (12) months of the date of the MOU (or such later date as may be agreed by the parties in writing);
 - (d) the other club is in breach of an obligation under this MOU and:
 - (i) that breach is not capable of rectification; or

- (ii) the other party fails to rectify that breach within 10 business days of being given notice to do so; or
 - (e) the other party suffers an insolvency event.
56. DRSL may also terminate the MOU (and not proceed with the amalgamation):
- (a) by giving 14 days' written notice to LCBRC if DRSL is unable to obtain a transfer/assignment of Crown Leases on terms satisfactory to DRSL in its absolute discretion or the requirements of clause 5 of the MOU are not met;
 - (b) immediately by giving notice to LCBRC if the Authority proposes to approve the Amalgamation Application on terms and conditions which are unacceptable to DRSL acting reasonably; or
 - (c) immediately by giving notice to LCBRC if the total debts and liabilities of LCBRC as at Amalgamation Completion exceed the amount disclosed by LCBRC to DRSL before execution of the MOU (or such higher amount as may be agreed by DRSL).

The Amalgamation Process

57. Each club must hold a meeting of its members to approve the amalgamation in the same terms as the Ordinary Resolution above.
58. After the members of both clubs have approved the amalgamation, an application will be made to the Authority for its approval of the amalgamation. DRSL will have carriage of that application.
59. Once the approval of the Authority to the amalgamation has been obtained, there will be a formal commercial settlement. On the day of that commercial settlement the following things (among others) will happen:
- (a) LCBRC will transfer its assets (including club licence, land, Crown Leases and EGMs) to DRSL; and
 - (b) LCBRC's members who have consented to becoming members of the Amalgamated Club will be admitted to membership of DRSL;
 - (c) LCBRC's employees who accept employment with DRSL will become employees of DRSL;
 - (d) DRSL will become responsible for the management, business and affairs of the LCBRC Premises.
60. After Amalgamation Completion, the corporate entity of LCBRC will be wound up in accordance with the MOU.

Dated: 8 January 2025



**Rhys Birrane
Secretary**