

GEORGES RIVER 16FT SAILING CLUB CO-OP LTD
ABN 90 738 525 905
NOTICE OF GENERAL MEETING

NOTICE is hereby given of a General Meeting of the Members of **GEORGES RIVER 16FT SAILING CLUB CO-OP LTD** to be held on **10 April 2022** commencing at **10.00am** in the premises of the Club, Sanoni Avenue, Sandringham NSW 2219.

BUSINESS

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

ORDINARY RESOLUTION

That the members hereby approve in principle the amalgamation of Georges River 16ft Sailing Club Co-Op Ltd (**Sailing Club**) with Illawarra Catholic Club Limited (**ICC**) such amalgamation to be affected by:

- (a) the continuation of the corporate structure of ICC and the winding up of the corporate structure 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 Sanoni Avenue, Sandringham NSW 2219 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) in order to effect completion of the amalgamation.
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FIRST SPECIAL RESOLUTION

That, subject to the Independent Liquor and Gaming Authority of NSW giving provisional approval of the amalgamation of Georges River 16ft Sailing Club Co-Op Ltd (**Georges River**) and Illawarra Catholic Club Limited (**ICC**) under section 60 of the Liquor Act 2007, the members of Georges River hereby approve of the disposal of all of the assets of Georges River to ICC under section 359 of Co-operative National Law.

SECOND SPECIAL RESOLUTION

That subject to:

- (a) the granting of an application made to the Independent Liquor & Gaming (**Authority**) for the transfer of the club licence held by Georges River 16ft Sailing Club Co-Op Ltd (**Georges River**) in respect of its premises at Sanoni Avenue, Sandringham NSW 2219 to Illawarra Catholic Club Limited (**ICC**) for the purpose of amalgamation; and
- (b) the transfer of the club licence held by Georges River to ICC pursuant to the application referred to in paragraph (a) in order to effect completion of the amalgamation,

the members of Georges River hereby approve of the amendment of the Rules of Georges River by the deletion of Rule 54 in its entirety and the insertion instead of the following new Rule 54:

WINDING UP

54. *The winding up of the co-operative shall be in accordance with Part 4.5 of the Co-operatives National Law. Upon the winding up of the co-operative, any balance of funds or property remaining after payment of the co-operative's liabilities shall not be paid to or distributed amongst the members of the co-operative, but shall be transferred to Illawarra Catholic Club Limited.*

EXPLANATORY NOTES

Summary of Ordinary Resolution

1. The Ordinary Resolution is made up of the following parts:
 - (a) **Paragraph (a)** is to obtain member approval for the amalgamation (merger) of ICC and the Sailing Club (which will be affected by the winding up of the corporate structure of the Sailing Club and the continuation of the corporate structure of ICC).
 - (b) **Paragraph (b)** is to obtain member approval for the clubs making an application to the Authority to obtain approval for the amalgamation;
 - (c) **Paragraph (c)** is to obtain member approval for the transfer of the Sailing Club's club licence to ICC which will take effect on and from completion of the amalgamation.
2. Explanatory notes on the Second Ordinary Resolution are contained at the end of this Notice.

Summary of the First Special Resolution

3. Section 359 of the *Co-operatives (Adoption of the National Law) Act 2012 (CNL)* provides that a co-operative must not do certain things except as approved by special resolution by a special postal ballot.
4. One of those things is the disposal of an asset, if the disposal would result in the co-operative ceasing to carry on a primary activity of the co-operative; or in the ability of the co-operative to carry on a primary activity of the co-operative being substantially impaired.
5. The proposed amalgamation will result in the disposal of all of the Sailing Club's assets to ICC as part of the amalgamation and the Sailing Club ceasing to carry on being a registered club. Accordingly, the transfer of assets and amalgamation will result in the Sailing Club ceasing to carry on its primary activity, which is defined in Rule 12(a)(i) of the Rules as being the provision and maintenance of buildings, grounds, launches and 16ft sailing skiffs for the purpose of sport afforded by sailing and activities associated therewith.
6. Section 359(3) of the CNL allows the Registrar of Co-operatives to exempt a co-operative from compliance with a provision of section 359 and section 248 (the requirement to conduct a special postal ballot) in relation to a matter to which section 359 applies.
7. The Sailing Club applied to the Registrar for exemption from compliance with section 359 on the basis that it would put the First Special Resolution to its members at the General Meeting. The Registrar of Co-operatives granted that application.
8. Accordingly, the First Special Resolution proposes that the members of the Sailing Club approve, in accordance with section 359 of the CNL the disposal of all of the assets of the Sailing Club, resulting in the Sailing Club ceasing to carry on its primary activity.

Conditions for First Special Resolution

9. On 17 March 2022, the Delegate of the Registrar of Co-operatives granted an order exempting the Sailing Club from the requirement to conduct a special postal ballot for the purpose of section 359 of the CNL (**Order**).
10. Importantly, members should take note of the following requirements under the Order:
1. *The Co-operative is to put the proposal to transfer its assets to Illawarra Catholic Club Limited to its members at a Special General Meeting of the Co-operative.*
 2. *The Co-operative must send to each member a disclosure statement approved by the Registrar not less than 21 days prior to the Special General Meeting.*
 3. *The Special General Meeting is to be held at the Co-operative's premises at Cook Park, Dolls Point, New South Wales 2219 on a Sunday morning commencing at 10.00am.*
 4. *Members eligible to vote in relation to the proposal are to be given the opportunity to cast their vote in advance of the Special General Meeting. Advanced voting is to be conducted at the Co-operative's premises between 12.00 noon to 2.00pm and 5:00pm and 7:00pm the Saturday, Sunday, Thursday and Friday immediately prior to the Special General Meeting.*
 5. *Eligible members wishing to vote in advance of the Special General Meeting are to be directed to a returning officer to be appointed by the Co-operative who is to hand to them a voting card. The returning officer is to accept the vote of the member and record the member's name on a list of members who have voted.*
 6. *Members who have recorded their vote prior to the Special General Meeting will be entitled to attend the Special General Meeting but will not be eligible to cast a second vote.*
 7. *A three-quarter majority of members voting in relation to the proposal is required to pass the special resolution(s).*
 8. *This exemption is valid for a period of 6 months.*

Reasons for Amalgamation

11. The reasons for the Sailing Club choosing to amalgamate with ICC are set out in:
- (a) the Memorandum of Understanding which is available on the Sailing Club's website and noticeboard; and
 - (b) paragraph 2.4 of the Disclosure Statement accompanying this Notice.

Need for Memorandum of Understanding

12. An amalgamation between two registered clubs is governed by the provisions of the *Registered Clubs Act (RCA)*.
13. One of the requirements of the RCA is that the two clubs have to enter into a Memorandum of Understanding (**MOU**) which covers various matters specifically required by the RCA to be covered. The MOU can also deal with additional matters.
14. ICC and the Sailing Club have entered into a MOU. Copies of the MOU are currently displayed on the Sailing Club's website and noticeboard. Further copies are available from the Club on request during office hours.
15. 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 Ross Collinson (President).

Summary of Principle Features of the MOU

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

Winding Up of the Sailing Club

17. The amalgamation is being effected by the winding up of the corporate structure of the Sailing Club and the continuation of the corporate structure of ICC.

Name of the Amalgamated Club

18. The name of the amalgamated club will be Illawarra Catholic Club Limited. the Sailing Club Premises will trade as and be promoted as "Georges River 16ft Sailing Club".

Constitution of the Amalgamated Club

19. The Constitution of ICC will be the Constitution of the Amalgamated Club. However, for the purposes of the amalgamation, ICC's Constitution will be amended in the manner referred to in paragraph 42 below.

Premises of the Amalgamated Club

20. With effect from completion of the amalgamation, the Amalgamated Club will trade from both the Sailing Club's premises and ICC's premises.

Traditions, Amenities and Community Support

21. The traditions, amenities, culture, facilities, activities and memorabilia of the Sailing Club will be maintained by the Amalgamated Club at the Sailing Club Premises and that memorabilia of the Sailing Club may be displayed in its present form or in an electronic form.

The Sailing Club Premises

22. The Sailing Club Premises will continue to trade as and be promoted as "Georges River 16ft Sailing Club". However, in consultation with the Sailing Operations Committee, the trading name of the Sailing Club Premises may change in the future provided that the origins of the Sailing Club continue to be recognised.
23. Subject to clauses 10 and 11 of the MOU, ICC intends to:
- (a) immediately:
 - (i) make outstanding payments to trade creditors to bring them within ICC's trading terms (ie 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; and
 - (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 in accordance with clause 24;
- (h) maintain, and where possible, enhance the existing sailing activities at the Sailing Club Premises.

Sailing Club Premises Enhancements

24. 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)

- (i) Bring Sailing Club Premises into compliance with the Building Code of Australia particularly with respect to fire life safety systems.
- (j) Make application for twenty (20) additional gaming machine entitlements.
- (k) Undertake works to relocate the gaming room to the rear of the Sailing Club Premises building and move snooker/pool further toward the beachside.
- (l) Update of the existing forty three (43) gaming machines upon completion of the gaming room relocation works.
- (m) 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)

- (n) Seek to enhance the sense of arrival at the Sailing Club Premises by constructing a new reception area;
- (o) Renew and upgrade kitchens;
- (p) Create a feature balcony the length of the Sailing Club Premises building facing the beach and Botany Bay;
- (q) Create a large continuous bar/restaurant adjoining the feature balcony;
- (r) 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;
- (s) Enhance and enlarge the bar, including a dedicated TAB area.

Sailing Operations Committee

25. ICC acknowledges that sailing operations are part of the “fabric” of the Sailing Club with its success paramount to the future image of the Sailing Club and the Amalgamated Club. ICC acknowledges that sailing operations is not in its expertise and agrees to establish a “self-governing body” to run the sailing operations. The Board of the ICC will create the Sailing Operations Committee for the above purpose.
26. The following shall apply in respect of the Sailing Operations Committee:
- (a) The Sailing Operations Committee will initially be made up of the:
 - (i) Approved Manager of the Sailing Club Premises;
 - (ii) Commodore; and
 - (iii) Vice Commodore,
of the Sailing Club; and
 - (iv) Rear Commodore; and
 - (v) Club Captain,
of the Georges River Sailing Club Committee who, as at the date of Completion of the Amalgamation, have given written consent to ICC to be members of the Sailing Operations Committee (**First Sailing Operations Committee**);
 - (b) The First Sailing Operations Committee shall hold office until the first election of the Sailing Operations Committee. The first election of the Sailing Operations Committee will be held on or before the date of ICC’s Annual General Meeting in 2023. The exact date of the first election of the Sailing Operations Committee will be determined by the Board of the Amalgamated Club;
 - (c) With effect from the first election of the Sailing Operations Committee, the Sailing Operations Committee will comprise of four (4) members being the Approved Manager of the Sailing Club Premises; and
 - (i) Vice Commodore;
 - (ii) Rear Commodore;
 - (iii) Club Captain,
of the Georges River Sailing Club Committee.
 - (d) The Sailing Operations Committee will elect its own Chairperson.
 - (e) The Sailing Operations Committee will meet at such intervals as may be determined by the management of Amalgamated Club from time to time.
 - (f) The Sailing Operations Committee may make recommendations to the Board and/or management of the Amalgamated Club regarding the following matters:
 - (i) the sailing operations of the Sailing Club; and
 - (ii) ClubGRANTS to be made by the Amalgamated Club that are attributable to the Sailing Club Premises;

- (iii) membership matters relating to sailing at the Sailing Club Premises;
 - (iv) the operation of the sailing activities at the Sailing Club.
- (g) The Sailing Operations Committee will not have any governance or management powers in the Amalgamated Club (except if specifically delegated to it by resolution of the Board) and it shall be subject to the overall control and direction of the Board and management of the Amalgamated Club.
 - (h) The Sailing Operations Committee will be required to provide reports to the Board of the Amalgamated Club.
 - (i) The Sailing Operations Committee shall be in force and effect for the term of this Memorandum
 - (j) ICC's CEO (or his delegate) shall be entitled to attend and participate in all meetings of the Sailing Operations Committee.
 - (k) The Board of ICC will adopt By-laws which give effect to the matters set out in this clause.

Sailing Activities

- 27. The Sailing Operations Committee's sailing activities will continue to enjoy and occupy similar, or improved amenities and premises to the Georges River Sailing Club.
- 28. The Amalgamated Club will with respect to the Georges River Sailing Club, 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:
 - (i) administrative support, which will be charged out on commercial terms.
 - (ii) fees payable for licenses and insurances applicable to sailing related activities;
 - (iii) fees payable to relevant associations in respect of the sailing activities;
 - (iv) trophies and prizes for sailing competitions and events; and
 - (v) costs associated with the maintenance and repair of sailing related areas of the Sailing Club Premises.
 - (c) 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.
- 29. The Sailing Operations Committee will be at liberty to source further funding from parties interested in the Sailing Operations provided the source of any such funding does not conflict with the Amalgamated Club's values and vision as determined by the Amalgamated Club.
- 30. The Sailing Club and ICC acknowledge and agree that from time to time there may be occasions to support/fund events that the Amalgamated Club's various brands may benefit from (as an example, naming rights to a particular event or the like) and in those circumstances the Amalgamated Club and the Sailing Operations Committee will negotiate in good faith with a view to reaching a mutually acceptable arrangement.

31. Should the Sailing Operations Committee elect to establish a separate legal entity, this would be supported by ICC and the benefits outlined in the MOU would transfer.

Other Sub Clubs

32. ICC recognises the existence of the following additional sub-clubs of the Sailing Club:
- (a) Snooker Club
 - (b) Golf Club; and
 - (c) Darts Club.
33. The Board of the Amalgamated Club will allow those sub-clubs to continue to exist 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

- 1.2 ICC has invited a current Sailing Club board member to join ICC's Project Control Group. The intention is that the board member will have club experience and some history to contribute to the Project Control Group with respect to the Sailing Club. For this reason, it is intended that the Sailing Club's Chairperson become a member of the ICC Project Control Group.

Employees

34. 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.
35. 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

36. *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

37. *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

38. *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

39. *ICC does not intend to cease trading from the Sailing Club Premises or cease sailing activities at the premises*
40. *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) *if 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

41. *If the Amalgamated Club wishes to cease trading from the Sailing Club Premises because the Sailing Club premises are 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

42. *ICC members will be asked to vote on a special resolution to amend the Constitution of ICC to allow all eligible members of the 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.*

The Amalgamation Process

43. *Each club must hold a meeting of its members to approve the amalgamation in the same terms as the Ordinary Resolution above.*
44. *Once the members of both clubs have approved the amalgamation at separate meetings, an application will be made to the Authority for its approval of the amalgamation. ICC will have the carriage of that application.*
45. *Once the approval of the Authority to the amalgamation has been obtained (and subject to due diligence being conducted by each club on the other 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) the Sailing Club will transfer its assets to ICC (as the Amalgamated Club);
 - (b) all members of the Sailing Club who have consented to become members of ICC will be admitted to membership of ICC (as the Amalgamated Club);
 - (c) the Sailing Club employees who accept employment with ICC will become employees of ICC (as the Amalgamated Club).
 - (d) the Sailing Club's club licence will be transferred to ICC (as the Amalgamated Club) and ICC CEO will become the CEO of the Amalgamated Club;
 - (e) the Amalgamated Club will be responsible for and trade from ICC Premises and the Sailing Club Premises;
 - (f) the Sailing Operations Committee will be established; and
 - (g) the Sailing Club Project Control Group will be established.
46. After completion of the amalgamation, the corporate structure of the Sailing Club will be wound up.

Summary of the Second Special Resolution

47. The Sailing Club's Rules currently provide at Rule 54 that the on the winding up of the Sailing Club, any balance of funds or property remaining after payment of liabilities shall not be paid to or distributed amongst the members of the Sailing Club, but shall be donated to the St. George Public Hospital Kogarah.
48. The Second Special Resolution is a proposal to amend Rule 54 of the Sailing Club's Rules to allow any balance of funds or property remaining after the winding up to be transferred to ICC. This is consistent with the intention behind the First Special Resolution and the terms of the MOU between the Sailing Club and ICC.

The winding up of the Sailing Club

49. As the final stage in the amalgamation process, the Sailing Club is to be wound up as a co-operative as the dissolving club in the amalgamation.
50. Under section 445(1) of the CNL, a co-operative may be wound up voluntarily only if a special resolution is passed by a special postal ballot in favour of voluntary winding up. However, section 445(3) allows the Registrar of Co-operatives to exempt a co-operative from compliance with a provision of section 445 or section 248 (the requirement to conduct a special postal ballot) in relation to a matter to which section 445 applies.
51. The Sailing Club proposes to make an application to the Registrar for approval for exemption from compliance with section 445(1) and to permit the Board of the Sailing Club to appoint a liquidator for the purpose of winding up the Sailing Club at the appropriate time.

PROCEDURAL MATTERS FOR ORDINARY RESOLUTION AND SPECIAL RESOLUTION

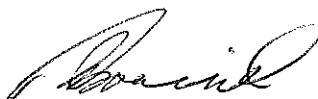
52. To be passed, the Ordinary Resolution requires votes from a simple majority (50% plus one) of those members who being eligible to do so are present and vote on the Ordinary Resolution.
53. **Under the Registered Clubs Act, all members being Life Members and financial Voting Members, Associate Members and Veteran Members (other than Provisional, Honorary and Temporary members) can vote on the Ordinary Resolutions.**
54. To be passed, in accordance with an Order from the Registry of Co-operatives referred to in this Notice, the First Special Resolution requires votes from a three-quarter majority (75%) of those members who being eligible to do so are present and vote on the First Special Resolution.

55. To be passed, in accordance with section 239(1)(a) of the Co-operatives National Law), the Second Special Resolution requires votes from a two-thirds majority (66%) of those members who being eligible to do so are present and vote on the Second Special Resolution.
56. **Only Life members and financial Voting Members and Veteran Members can vote on the Special Resolution.**
57. Under the *Registered Clubs Act*:
- (a) members who are employees are not eligible to vote and
 - (b) proxy voting is prohibited.
58. Members eligible to vote in relation to the First Special Resolution are to be given the opportunity to cast their vote in advance of the General Meeting. Advanced voting is to be conducted at the Co-operative's premises between 12.00 noon to 2.00pm and 5:00pm and 7:00pm on the following days:
- (a) Saturday 2 April 2022;
 - (b) Sunday 3 April 2022;
 - (c) Thursday 7 April 2022; and
 - (d) Friday 8 April 2022.
59. Members should read this notice, the Disclosure Statement that accompanies this Notice and the Memorandum of Understanding on the Club's website and Noticeboard.
60. The Board recommends that the members vote in favour of the Resolutions.

Dated:

17/3/22

By direction of the Board



Allan Brassil

President