

**MOOREBANK SPORTS CLUB LIMITED
(ACN 002 081 905)
SPORTIES @ KAREELA GOLF
NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of Moorebank Sports Club Limited (ACN 002 081 905) (**Club**) Sporties @ Kareela Golf members will be held at the premises of Sporties @ Kareela Golf at 1 Bates Drive, Kareela New South Wales 2232 on Tuesday, 21st January 2020 at 6.00pm.

Business

1. To consider and, if thought fit, pass the Ordinary Resolution approving in principle the de-amalgamation of Sporties @ Kareela Golf (Licence Number: LIQC300231704) (**Sporties Kareela**) from Moorebank Sports Club Limited (**Sporties**) conditional on the Authority also approving in principle the amalgamation of TCL and Cronulla-Sutherland Leagues Club Limited (ACN 000 202 826).

Ordinary Resolution

“That the Sporties @ Kareela Golf members of Moorebank Sports Club Limited (ACN 002 081 905) hereby approve:

- (a) *in principle, the de-amalgamation of Sporties @ Kareela Golf (Licence Number: LIQC300231704) (**Sporties Kareela**) from Moorebank Sports Club Limited (ACN 002 081 905) (**Sporties**), such de-amalgamation to be effected by:*
 - (i) *the transfer to Sporties Kareela Temporary Company Limited (ACN 636 544 771) (TCL) of club licence LIQC300231704; and*
 - (iii) *the making of an application to the Independent Liquor & Gaming Authority to effect the transfer of such club licence to TCL.*
- (b) *as required under section 17A(2)(b) of the Registered Clubs Act 1976, the disposal of the core property located at 1 Bates Drive, Kareela (comprising Lot 1159 in Deposited Plan 752064) to TCL for the purpose of giving effect to the de-amalgamation,*

noting that this resolution is conditional on the Authority also approving in principle the amalgamation of TCL and Cronulla-Sutherland Leagues Club Limited (ACN 000 202 826).”

Explanatory Note regarding the Ordinary Resolution

1. Moorebank Sports Club Limited (**Sporties**) amalgamated with Kareela Golf and Social Club (**Kareela**) in 2017. Since then, Sporties has made considerable gains at the venue, turning Kareela around from a position of negative cash flow, into a viable, cash positive business.
2. In July 2019, Cronulla-Sutherland Leagues Club Limited (**Sharkies**) announced that it was closing for construction and it was seeking interest from local clubs for a place to relocate its members during the period of construction. On learning of this, Sporties indicated its interest for Sporties @Kareela to become the official home of the Sharkies during its construction period.

3. On 6 September 2019, Sharkies called for 'Expressions of Interest' from clubs interested in amalgamating, with a particular emphasis on clubs located in the Sutherland Shire.
4. As a part of our governance, Sporties constantly assesses all available opportunities. Since amalgamating with Kareela in 2017, new opportunities have crystallised for Sporties Group including an ability to commence building at its Gregory Hills site and a possibility to purchase land adjoining its Hammondville home. Naturally, Sporties is unable to pursue every opportunity and it is bound to plan strategically.
5. When the Expression of Interest was advertised, Sporties considered its position and the opportunity that potentially existed for the Sporties Group, Sporties @Kareela, and Sharkies.
6. Given these issues and the opportunity presented by Sharkies, Sporties lodged an 'Expression of Interest' to amalgamate the Kareela venue with Sharkies, freeing up resources to pursue other projects.
7. Sharkies formally indicated its willingness to begin proceedings to formalise such an amalgamation. For the process to be successful, a de-amalgamation of the Kareela venue from Sporties and an amalgamation of the venue with Sharkies is necessary. Sporties believes Sharkies are an ideal partner to take Kareela forward.
8. Sporties believes an amalgamation with a partner like Sharkies will herald in a new era for the Members of Kareela, and this is a decision in their best interest, both long and short term.
9. As one step in the process of formalising an amalgamation of the Kareela premises with Sharkies, Sporties is required to de-amalgamate the Kareela Premises to another company. For this purpose, Sporties Kareela Temporary Company Limited (**TCL**) has been incorporated. The de-amalgamation is effective for a very short time (often no more than 10 minutes) prior to the final amalgamation of TCL and Sharkies being granted.
10. Sporties @ Kareela Golf is situated at 1 Bates Drive, Kareela NSW and occupies Lot 1159 DP 752064 (**Premises**).
11. Upon de-amalgamation, Sporties @ Kareela Golf's club licence will be transferred to TCL. Sporties will also transfer the real property comprising the Premises to TCL and TCL will be entitled to occupy the Premises for the purposes of running a registered club. The Premises will, however, ultimately be transferred to Sharkies in the event the amalgamation is approved.
12. Sporties will transfer eighty (80) gaming machine entitlements to TCL in respect of the Premises.

Admission of Kareela members to the Amalgamated Club

13. In relation to the ultimate admission of Sporties members to Sharkies:
 - a. All members of Sporties in the classes of Kareela Club members, Golf members and Junior members who apply to become members of Sharkies will be admitted to membership of Sharkies.
 - b. For the purpose of the Registered Clubs Act, all transferring members will be identified in Sharkies membership register as "Kareela Club Members". All transferring members will be given a credit for any membership subscription amounts paid.
 - c. All transferring members will initially be Club members of Sharkies (with the exception of Junior members who will become Junior members of the Club) and Golf members of Sporties who transfer will then be automatically transferred from Club member class of membership with Sharkies to the new Golf member class of membership with Sharkies and any Life member of Sporties in respect of the Kareela Premises will then automatically be transferred to Kareela Perpetual membership class of Sharkies.
 - d. All transferring members will be subject to the usual restrictions applicable to new Sharkies members

including a three (3) year restriction on: (i) attending and voting at general meetings; (ii) nominating for and being elected to the Board; (iii) voting in the election of the Board; (iv) voting on any special resolution to amend the constitution of Sharkies; (v) proposing, seconding or nominating any eligible member for any office of Sharkies; and (vi) proposing, seconding or nominating any eligible member for life membership of Sharkies. After three (3) years golf members will still be subject to the following restrictions: (i) nominating for and being elected to the Board; (iii) voting in the election of the Board; (ii) voting on any special resolution to amend the constitution of Sharkies; and (iii) proposing, seconding or nominating any eligible member for any office of Sharkies.

- e. A new class of ordinary membership to be known as “Golf members” will be created, Golf members will, subject to the payment of appropriate fees and subscriptions, have the same rights, restrictions and conditions as Club members of Sharkies with the exception that they will not have the right to nominate for and be elected to hold office on the board, vote on any special resolution to amend the constitution nor propose, second or nominate any eligible member for any office of the Sharkies and they will be entitled to the privilege of golf as determined by the Board of the Amalgamated Club.
- f. A new ordinary class of membership to be known as “Junior members” will be created, Junior members must satisfy the board that: the person is joining the club for the purposes of playing sport as a member of a sub club of the club; has received from that persons parent or guardian written consent to that person becoming a Junior member of the club and taking part in the spotting activities organised by a sub club of the club; is satisfied that that person will take part in regular sporting activities organised by a sub club of the Club. A Junior member shall be, subject to the provisions of the Registered Clubs Act and law be entitled to use the facilities of the club but will not be entitled to: attend and vote at any meetings of the club; or take part in the management of the club; propose, second or nominate any person to membership of the club; propose, second or nominate any eligible member for any office of the club; propose, second or nominate any eligible member for Life membership; introduce guests to the club; the playing privileges of the club available through membership of a sub club unless and until they have paid to the club the entrance fee (if any) and applicable annual subscription of such sub club of the club.
- g. A new class of ordinary membership to be known as “Kareela Perpetual member” will be created, any person who, at Completion of Amalgamation, is a Life member of Sporties in respect of the Kareela Premises will become a Kareela Perpetual member of the Amalgamated Club, will have the same rights, restrictions and privileges as Club member with the exception that they will only be required to pay to the Amalgamated Club the minimum annual subscription required by the RCA (\$2.00 plus GST)..
- h. Prior to the Completion of the Amalgamation, Sharkies will forward to members of Sporties in the classes of Kareela Club members, Golf members and Junior members, a written invitation to become a Club member, Junior member or Golf member of Sharkies. ‘
- i. Any members of Sporties in the classes of Kareela Club members, Golf members and Junior members who accepts the invitation to become a Club member, agrees to pay the appropriate fees and subscriptions for that class of membership and agrees in writing to be bound by the Constitution of Sharkies, will (subject to the name of that person being displayed on the noticeboard of Sharkies for not less than seven (7) days and a period of not less than fourteen (14) days elapsing after the receipt of the acceptance by Sharkies) be elected by a resolution of the Board of Sharkies to membership of Sharkies in that class of membership with effect from the date of Completion of the Amalgamation.

14. Notwithstanding anything contained in the Memorandum of Understanding, any members of Sporties in the classes of Kareela Club members, Golf members and Junior members who, at Completion of the Amalgamation is then:

- a. refused admission to or has been turned out of Sharkies Premises; or
- b. suspended from Sharkies;
- c. expelled from Sharkies.

shall only be entitled to attend at and use the facilities at the Kareela Premises and, for the avoidance of doubt, shall not be entitled to attend at or use the facilities at the Sharkies Premises, until such time as:

- a. the person is again permitted to enter the Sharkies Premises; or
- b. the period of suspension has been served; or
- c. the Board of the Amalgamated Club has overturned the person's expulsion from Sharkies or has readmitted the person to membership of Sharkies.

Golf and Golf Course

15. The right to operate the golf course is vested in Kareela Golf Course Operations Pty Ltd (a company in which Sporties currently owns all the shares) under a Licence Agreement.
16. Subject to Sharkies, or its nominee, owning all the shares in Kareela Golf Course Operations Pty Ltd (**KGCO**), or having taken an assignment of KGCO interest in the Licence Agreement, Sharkies intends:
 - that Sporties' interest in the Licence Agreement be assigned to Sharkies;
 - to use reasonable endeavours to renew the Licence Agreement (or enter into a new licence agreement for the Golf Course) at the expiration of the Licence Agreement in 2029 on terms satisfactory to the Board of the Amalgamated Club; and
 - in accordance with the requirements of the Licence Agreement maintain reasonable support for all existing golfing activities and improve the golfing facilities at the Kareela Premises.
17. Until Sharkies has control of KGCO or has received the benefit of a novation of Licence Agreement, Sporties will provide, or will procure KGCO to provide:
 - to all Golf members of the Amalgamated Club the same level of access to the Golf Course in return for Sharkies submitting to KGCO the same subscription fee currently paid by Golf members (subject to annual review);
 - all other goods and services as currently provided by Sporties or KGCO to Golf members including without limitation competitions, course maintenance in accordance with the terms and conditions of the Licence Agreement and presentations; and
 - an honouring of all Golf members entitlements in relation to the Golf Course as a result of all prior subscription fees previously paid to Sporties which have been transferred to Kareela Golf Course Operations Pty Ltd.

Employees of Sporties @ Kareela

18. If the de-amalgamation and amalgamation are both approved, all of Sporties' full time and part time employees at the Premises will be made offers of employment with Sharkies, and if they accept the offers, will be employed by Sharkies. Their existing employee entitlements will be preserved.
19. Any employee of Sporties who does not accept the offer of employment with Sharkies will be paid their full entitlements by Sporties when their employment with Sporties comes to an end.

General Information

20. Members should note that because the de-amalgamation and amalgamation are to be simultaneous if granted, the board which will ultimately govern the de-amalgamated/amalgamated club will be that of Sharkies, and the current board members can be found at www.sharkies.com.au.
21. Members should refer to the Memorandum of Understanding between Sporties, TCL and Sharkies which is displayed on the noticeboards of Sporties, Sporties @ Kareela Golf and Sharkies and on the websites of Sporties at www.sportiesgroup.com.au and Sharkies at www.sharkies.com.au

22. Sharkies is a brand well regarded and synonymous with the Sutherland Shire and a de-amalgamation from Sporties and an amalgamation with Sharkies is considered to be the best option for the continuation and improvement of operations at the Kareela premises into the future.

Procedural Matters in Relation to the proposed Ordinary Resolution

1. Under section 17AM(d) of the Registered Clubs Act 1976, the proposed de-amalgamation is to be *“approved in principle at separate extraordinary general meetings of the ordinary members of the parent club and the members of the dissolved club.”*

The term *“parent club”* in section 17AM(d) is defined in Division 1A of the Registered Clubs Act 1976 and means Sporties and the term *“members of the dissolved club”* in section 17AM(d) is defined in Division 1A and section 17AJ of the Registered Clubs Act 1976 to mean members of Sporties @ Kareela Golf including any person who, following the amalgamation of Sporties and Kareela has become a member of the amalgamated club but only in relation to the Kareela premises.

The term *“extraordinary general meeting”* is not defined in the Registered Clubs Act 1976. However, Sporties’ Constitution does not recognise the concept of *“extraordinary general meeting”* but rather Rule 85 provides:

A general meeting called the Annual General Meeting shall be held once at least in every calendar year at such time and place as may be determined by the Board but within five (5) months of the close of the financial year. All meetings other than Annual General Meetings shall be called general meetings.

2. Only members of Sporties @ Kareela Golf (excluding employees and junior members of Sporties), other than Honorary members, Temporary members and Provisional members are eligible to attend the general meeting and vote on the Ordinary Resolution.
3. To be passed, the Ordinary Resolution requires votes from a simple majority of members (50% + 1) present and voting on the Ordinary Resolution at the meeting.
4. In accordance with the Corporations Act 2001, the Ordinary Resolution must be considered as a whole and cannot be amended by motion at the meeting.
5. Members should read the Statement to Members on de-amalgamation and the Memorandum of Understanding between Sporties, TCL and Sharkies.
6. Please direct any question or concern about the Ordinary Resolution in writing to the Chief Executive Officer of Sporties if possible, before the General Meeting.
7. Proxy Votes are not allowed under the Registered Clubs Act 1976.
8. The Board of Directors of Moorebank Sports Club Limited recommends that members vote in favour of the proposed Ordinary Resolution.

Dated 17th December 2019



Jeff Gibbs
Chief Executive Officer