

**SPORTIES KAREELA TEMPORARY COMPANY LIMITED
(ACN 636 544 771)
NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of Sporties Kareela Temporary Company Limited (ACN 636 544 771) will be held at the premises of the Moorebank Sports Club Limited at 230 Heathcote Road, Hammondville New South Wales 2170 on Wednesday, 22nd January 2020 at 6.30pm.

Business

1. To consider and, if thought fit, pass the Ordinary Resolution approving in principle an amalgamation of Sporties Kareela Temporary Company Limited and Cronulla-Sutherland Leagues Club Limited.

Ordinary Resolution

“That the members of Sporties Kareela Temporary Company Limited (ACN 636 544 771) hereby approve:

- (a) in principle, the amalgamation of Sporties Kareela Temporary Company Limited (ACN 636 544 771) and Cronulla-Sutherland Leagues Club Limited (ACN 000 202 826) with such an amalgamation to be effected by:*
 - (i) the continuation of Cronulla-Sutherland Leagues Club Limited (ACN 000 202 826) as the amalgamated club and the dissolution of Sporties Kareela Temporary Company Limited (ACN 636 544 771); and*
 - (ii) the transfer of the Club Licence (No: LIQC300231704) of Sporties Kareela Temporary Company Limited (ACN 636 544 771) to Cronulla-Sutherland Leagues Club Limited (ACN 000 202 826);*
- (b) 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 (No: LIQC300231704) of Sporties Kareela Temporary Company Limited (ACN 636 544 771) to Cronulla-Sutherland Leagues Club Limited (ACN 000 202 826) for the purposes of such amalgamation; and*
- (c) 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 Cronulla-Sutherland Leagues Club Limited (ACN 000 202 826) for the purpose of giving effect to the amalgamation.”*

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. If the process is successful it will require a de-amalgamation of the Kareela venue from Sporties and an amalgamation of the venue with Sharkies. 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, 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.
13. 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.
14. 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.

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.

18. 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

Requirement for the Ordinary Resolution

1. Under section 17AEB of the Registered Clubs Act 1976, 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 (TCL) unless the Authority is satisfied that:
 - (a) the parent club (Sharkies) will meet the requirements set out in section 10(1) of the *Registered Clubs Act 1976*, and
 - (b) the parent club (Sharkies) 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
2. the proposed amalgamation has been approved in principle at separate 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).
3. The Ordinary Resolution proposed in this Notice of General Meeting is required for the purposes of section 17AEB(d) of the *Registered Clubs Act 1976* and the amalgamation between TCL and Sharkies 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

1. Under section 17AEB(d) of the *Registered Clubs Act 1976*, 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 *“extraordinary general meeting”* is not defined in the *Registered Clubs Act 1976*. However, TCL’s Constitution does not recognise the concept of *“extraordinary general meeting”* but rather Rule 26.2 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.

The term *“ordinary members”* where used in section 17AEB(d) of the *Registered Clubs Act 1976* is defined in section 4 of the *Registered Clubs Act 1976* and essentially means all members in all classes of membership (excluding employees and junior members of TCL), other than Honorary members, Temporary members and Provisional members.

2. Accordingly, all members in all classes of membership (excluding employees and junior members of TCL), other than Honorary members, Temporary members and Provisional members are eligible to attend the general meeting and vote on the Ordinary Resolution. This is despite any provision in the Constitution of TCL that restricts voting rights for certain classes of membership.
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. Members should read the Explanatory Notes to Members set out above which explains the general nature and effect of the Ordinary Resolution. Members should also read the Memorandum of Understanding between Sporties, TCL and Sharkies.
5. Please direct any question or concern about the Ordinary Resolution in writing to the Chief Executive Officer of TCL if possible, before the General Meeting.
6. Proxy Votes are not allowed under the Registered Clubs Act 1976.
7. The Board of Directors of TCL recommends that members vote in favour of the proposed Ordinary Resolution.

Dated 17th December 2019

A handwritten signature in black ink, appearing to read 'Jeff Gibbs', with a small dot at the end.

Jeff Gibbs
Chief Executive Officer