

AGM 22 – Notice of Meeting

NOTICE is hereby given that the Annual General Meeting of ENGADINE RSL & CITIZENS CLUB LIMITED will be held in the Club Rooms on Sunday, 27th March 2022 at 10.00am. Members shall be reminded that no one will be allowed entry into the meeting after 10.00am sharp, while the Annual General Meeting is in progress.

All financial queries must be lodged to the General Manager by the 14th of March.

BUSINESS

- 1. Confirmation of minutes of previous Annual General Meeting.**
- 2. To receive, consider and if thought fit, adopt:**
 - (a) The Annual Reports of the Board of Directors.**
 - (b) The Annual Reports of Intra Clubs**
 - (c) The Financial Report, The Auditors Report and Statement of Financial Position**
 - (d) Appointment of Auditors**
 - (e) Directors Election**
- 3. Resolutions of the Board of Directors.**

To be read in conjunction with the proposed Resolutions:

- (a) The purpose of the First Resolution is to meet the disclosure requirements of Corporation Law and the Registered Clubs Act. It relates to expenditure shown in the Club's Annual Account under various headings in previous years and approved by the members when the Annual Accounts have been adopted. The adoption of this Resolution by members will confirm and set an upper limit on the amount to be expended and will meet the disclosure requirements of the Corporations Law and the Registered Clubs Act.
- (b) The purpose of the Second Resolution is again to meet the disclosure by the Club for the professional development and education of the Directors as well as ensuring that Directors keep up-to-date with current Club Industry development and that the Club is represented by selected Directors at the various meeting of associations of which the Club is a member. The adoption of this Resolution by members will confirm and set an upper limit on the amount to be expended and will meet the disclosure requirements of the Corporations Law and the Registered Clubs Act.
- (c) Each Resolution must be passed as a whole and cannot be amended by motions from the floor of the meeting or divided into two or more separate resolutions.
- (d) To be passed, each Resolution must receive votes in its favour from not less than a simple majority of the members who, being entitled to do so, vote in person at that meeting.

N GRANT
GENERAL MANAGER

ENGADINE RSL & CITIZENS CLUB LIMITED

1st

- RESOLUTION. (A) The members hereby approve expenditure by the club in a sum not exceeding **\$30,000** Over the following 12 months for the following expenses subject to approval by the Board of directors:
- (1) (a) Expenses involved in sponsorship if intra-clubs, presentations to members or other Persons acknowledging services deemed by the directors as being of benefit to the Club.
and/or community. **Approximate \$7,000**

(b) Sponsorship of sporting events and sport persons deemed by the directors to be of benefit to the club and/or community. **Approximate \$7,000**
 - (2) Reasonable expenses incurred by directors in travelling by either private or public Transport and from director's or other duly constituted committee meetings, either Within the club or elsewhere – as approved by the board, on production of documentary evidence of such expenditure. **Approximate \$2,000**
 - (3) The cost of reasonable refreshments associated with each board meeting of the club and/or attendees at the club for other duties. **Approximate \$7,500**
 - (4) Reasonable expenses incurred by directors either within the club or elsewhere in Relation to such other duties including entertainment of special guests of the Club, or other promotional activities approved by the board on production of documentary evidence of such expenditure **Approximate \$1,500**
 - (5) Attendance of functions with spouses where appropriate and required inclusive of Annual function. **Approximate \$5,000**
- (B) The members acknowledge the benefits in paragraph (a) above are not available to Members generally, but only for those who are directors of the club and those Members directly involved in the above activities.

2nd

- RESOLUTION. 13. The members hereby approve expenditure by the Club in the sum not exceeding **\$26,000** over the following 12 months for the following expenses, subject to the approval by the Board of Directors
- (1) (a) The reasonable cost of directors attending the Clubs NSW (including CDI) and Club Managers Association meetings. **Approximate \$7,000**
(b) Attendance at AGM'S for ClubsNSW and Managers Association **Approximate \$7,000**
 - (2) The reasonable cost of directors attending meetings of other associations of which the Club is a member. **Approximate \$2,000**
 - (3) The reasonable cost of directors attending seminars, lectures, trade displays, organised study tours, fact finding tours and other events as may be determined by the board from time to time. **Approximate \$7,500**
 - (4) The reasonable costs of directors attending other clubs for the purpose of observing their facilities and method of operations. **Approximate \$2,500**
- (a) The members acknowledge that the benefits in paragraph (a & b) above are not available to
Members generally, but only for those who are directors of the Club.

ENGADINE R.S.L. & CITIZENS CLUB LIMITED

ABN 91 000 966 978

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of **ENGADINE R.S.L. & CITIZENS CLUB LIMITED** will be held on **Sunday, 27th March 2022** commencing immediately following the conclusion of the Annual General Meeting (separate Notice of AGM having been given) at the Club's premises located at 1029 Old Princes Highway, Engadine NSW 2233.

BUSINESS FOR MEETING

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

PROCEDURAL MATTERS FOR ORDINARY RESOLUTION

1. 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 at the meeting.
2. All Honorary Life members and financial Ordinary members of the Club (except Honorary, Temporary and Provisional members) can vote on the Ordinary Resolution.
3. Under the *Registered Clubs Act*, employees are not eligible to vote and proxy voting is prohibited.
4. The Board of the Club unanimously recommends that the members vote in favour of the Ordinary Resolution.

ORDINARY RESOLUTION

That the members hereby:

1. approve in principle the amalgamation of Engadine R.S.L. & Citizens Club Limited (ABN 91 000 966 978) ("**Club Engadine**") with Ramsgate RSL Memorial Club Ltd ("**Ramsgate RSL**") on the terms of the Memorandum of Understanding entered into by Club Engadine and Ramsgate RSL dated 21-2 2022, such amalgamation to be effected by:
 - (a) the continuation of Ramsgate RSL (as the Amalgamated Club) and the dissolution of Club Engadine;
 - (b) the transfer of Club Engadine assets to Ramsgate RSL; and
 - (c) the transfer of the club licence of Club Engadine to Ramsgate RSL; and
2. approve in principle the making of an application to the Independent Liquor and Gaming Authority for the transfer of the club licence of Club Engadine to Ramsgate RSL for the purposes of such an amalgamation.

EXPLANATORY NOTES REGARDING THE ORDINARY RESOLUTION

1. Ramsgate RSL called for expressions of interest from other registered clubs in an amalgamation.
2. The call for expressions of interest was on the basis that Ramsgate RSL would be the "continuing club" in the amalgamation.
3. On 30th June 2020, following discussions initiated by Ramsgate RSL, Club Engadine submitted an expression of interest in amalgamation to Ramsgate RSL.
4. Ramsgate RSL resolved to proceed with an amalgamation with Club Engadine.
5. On 21/2/2022, Club Engadine and Ramsgate RSL entered into a Memorandum of Understanding (**MOU**).
6. The MOU sets out the terms of the amalgamation and it covers the various matters specifically required by the Registered Clubs Act (**RCA**) and other matters relevant to the proposed amalgamation.
7. A copy of the MOU is displayed on Club Engadine website (www.clubengadine.com.au) and noticeboard. Further copies may be obtained on request from reception at Club Engadine.
8. Members are encouraged to carefully read the terms of the MOU.
9. If members have any questions or require clarification on any matter relating to the amalgamation, they should direct their enquiries to the Club's General Manager.
10. What follows in these notes is a summary of the Ordinary Resolution and some of the principle features of the MOU and the steps that need to be followed in the amalgamation process.

Summary of Ordinary Resolution

11. The Ordinary Resolution seeks to obtain member approval for the amalgamation of Ramsgate RSL and Club Engadine and for the clubs making an application to the Independent Liquor & Gaming Authority (**Authority**) to obtain approval for the amalgamation.

Background Information

12. Club Engadine has for the past ten years been in a very strong financial and service deliver position and therefore there is no necessity to seek a merger. Club Engadine was approached informally by Ramsgate RSL in April 2020. We responded to a formal Ramsgate RSL call for Expressions of Interest which was published in a Clubs_NSW Circular in May 2020 to ensure a secure and strategic future for our Engadine Community Club and completion of a major refurbishment of Club Engadine premises. Our proposed amalgamation partner Ramsgate RSL is three times larger in reserves, assets and poker machines and is also in a very strong financial position with premises at Ramsgate, Fingal Bay and shortly Heathcote.
13. Club Engadine shall continue to operate as Club Engadine RSL in our current premises which are to be significantly refurbished under the terms of the MOU from the cash reserves of Ramsgate RSL rather than expensive bank borrowings. Ramsgate RSL will also pay out our existing bank loan debt of \$1.7 million used to fund the purchase of the property at 1025 Old Princes Highway, Engadine.
14. Following the amalgamation two (2) existing Directors of Club Engadine will join the current Ramsgate RSL Board of Directors of seven (7) directors (making a total of nine (9) directors) for three (3) terms.
15. All management and staff at Club Engadine will be retained with improved career and advancement opportunities or offered redundancies.
16. The MOU guarantees continued support of all Club Engadine Sub Clubs (Inner Clubs) and Community sponsorships.
17. Club Engadine members whilst retaining their Club Engadine identity will become members of Ramsgate RSL entitled to vote and stand in elections and use the premises of the club at Ramsgate, Fingal Bay, Heathcote and of course Engadine.
18. The Board and Management of Club Engadine have been carefully examining the proposed amalgamation for the past twenty months. It is never an easy decision to change a club history of over 70 years and amalgamate with a bigger entity.
19. This amalgamation will ensure we can deliver to our Club Engadine membership of over 10,000 members continued local identity and local operation in a much bigger and better refurbished premises much earlier than we could deliver as a stand-alone identity.
20. If the amalgamation proceeds Club Engadine members will be members of a large very financially sound registered club with significant strategic community presence in Engadine, Ramsgate, Heathcote and Fingal Bay.
21. Club Engadine's Board with the support of management unanimously recommends members approve the amalgamation.

Summary of main provisions of the MOU

Dissolution of Club Engadine

22. The amalgamation will be effected by the dissolution of Club Engadine and the continuation of Ramsgate RSL as the corporate vehicle of the Amalgamated Club.

Premises of the Amalgamated Club

23. Club Engadine premises (**Club Engadine Premises**) will become additional licensed premises of Ramsgate RSL.
24. Ramsgate RSL (as the Amalgamated Club) will trade from the Club Engadine Premises and Ramsgate RSL's existing premises at Ramsgate and Fingal Bay and all premises will be available to the members of the Amalgamated Club.
25. Ramsgate RSL is also in the process of amalgamating with Heathcote Services and Citizens Club Limited (**Club Heathcote**) and the Independent Liquor and Gaming Authority has given in principle approval of that amalgamation. That amalgamation is expected to be finalised shortly and the premises of Club Heathcote will then also be available to the members of the Amalgamated Club.

Corporate Governance Matters

26. The constitution of the Amalgamated Club will be the constitution of Ramsgate RSL subject to amendments necessary for the purposes of the amalgamation.

27. The Board and Chief Executive of the Amalgamated Club will be the Board and Chief Executive Officer of Ramsgate RSL.
28. Ramsgate RSL has agreed that on and from the Completion of the Amalgamation Ramsgate RSL's Board will, appoint two (2) directors elected by Club Engadine's Board to Ramsgate RSL's Board for a period of three (3) years.

Traditions, Amenities and Community Support and Club Engadine Premises

29. The Club Engadine Premises will continue to trade as and be promoted as "Club Engadine". However, the Board of the Amalgamated Club may resolve to change the trading name of the Club Engadine Premises after five (5) years from the date of the MOU.
30. Subject to clauses 10 and 11 of the MOU, Ramsgate RSL will:
 - (a) maintain Club Engadine Premises and carry on the business of a licensed registered club under the RCA and the Liquor Act at Club Engadine Premises with all the facilities and amenities of a registered club;
 - (b) operate Club Engadine Premises as a successful and well supported local based community club;
 - (c) undertake planning to encapsulate marketing, social media and community engagement for Club Engadine Premises;
 - (d) seek to enhance the social facilities, services, amenities and activities at Club Engadine Premises, and
 - (e) spend a minimum of five million dollars (\$5,000,000.00) on one or more of the following, to be commenced within three (3) years of Completion of the Amalgamation:
 - (i) retiring debt.
 - (ii) refurbishment of Level 1 of the Club Engadine Premises with the intention of utilising roof-space.
 - (iii) developing the Club Engadine Premises.
31. The traditions, amenities, culture and memorabilia of Club Engadine will be maintained by the Amalgamated Club at Club Engadine Premises. Any memorabilia of Club Engadine may be displayed in its present form or in an electronic (digital) form.
32. The Amalgamated Club will continue to support the community that was supported by Club Engadine (as at the date of this Memorandum) and it will explore opportunities to expand community support.

Sub Clubs

33. The Board of the Amalgamated Club will recognise and allow the Engadine RSL Sub-Branch, and the Golf, Darts, Snooker and Fishing sub-clubs to continue to exist provided all members of those sub clubs first become members of Ramsgate RSL.
34. It is intended that Club Engadine sub-clubs will:
 - (a) have their own rules, committees and members; and
 - (b) be authorised to operate a bank account;
 - (c) continue using their existing names and insignia including the words, logos and images used by or associated with Club Engadine or its operations;
 - (d) elect their own committees and shall retain their existing rights and established practices as to holding meetings on club premises, using notice boards and other facilities at the Club Engadine premises;
 - (e) be eligible to affiliate with such bodies controlling the activity in which they engage on such terms and conditions (not inconsistent with the Constitution of the Ramsgate RSL or the RCA) as such controlling bodies may from time to time require; and
 - (f) be responsible for all relevant costs of conducting the sub-club including obtaining the necessary insurances.

35. The Amalgamated Club may allocate funds to each sub-club in such amount as determined by the Board of the Amalgamated Club acting reasonably subject to the relevant sub-club providing an annual budget to the Board of the Amalgamated Club.

Club Engadine Employees

36. Prior to completion of the amalgamation Ramsgate RSL will make offers of employment to all employees of Club Engadine to commence employment after Completion of the Amalgamation.
37. The offers of employment:
- (a) will be effective from the Completion of the Amalgamation; and
 - (b) will, subject to clause (c) below, be on the same terms and conditions presently offered by Ramsgate RSL to employees of Ramsgate RSL in similar roles;
 - (c) may result in some employees of Club Engadine being offered different roles with the Amalgamated Club and/or having different titles, duties, responsibilities, hours of work and times of work with the Amalgamated Club.
38. Any employee of Club Engadine who accepts an offer of employment with Ramsgate RSL will receive continuity of employment and their accrued entitlements will be honoured by Ramsgate RSL.
39. Any employee of Club Engadine who does not accept the offer of employment with Ramsgate RSL will be paid out their full entitlements when their employment with Club Engadine comes to an end.
40. Ramsgate RSL has agreed to accept an assignment of the employment contract of Club Engadine's General Manager on Completion of the Amalgamation.

Club Engadine Land and Core Property

41. Club Engadine will transfer all of its land assets to Ramsgate RSL on Amalgamation Completion.
42. Club Engadine Premises are core property of Club Engadine and will also be core property of the Amalgamated Club as and from Amalgamation Completion.
43. The Amalgamated Club has agreed not to dispose of Club Engadine core property within the first five (5) years after Amalgamation Completion except in circumstances outlined below under Cessation of Trade from Club Engadine Premises.
44. Under the Registered Clubs Act, the Amalgamated Club cannot dispose of Club Engadine core property within the first three (3) years after Amalgamation Completion except with the approval of the Authority.
45. What this means is that the Club House land cannot be disposed of without the approval of the Club Engadine members (and only those members will be able to attend and vote at any such meeting) at any time during three (3) years after completion of the amalgamation.
46. As set out above within a period of three (3) years after Amalgamation Completion the Amalgamated Club will consider retiring debt and commence necessary capital works including refurbishment of Level 1 of the Club Engadine Premises with the intention of utilising roof-space and developing the Club Engadine Premises with a view to improving trading at the Club Engadine Premises.

Club Engadine Cash and Investments

47. The cash and investments of Club Engadine will be transferred to the Amalgamated Club on Amalgamation Completion.

Club Engadine Poker Machine Entitlements

48. Club Engadine currently has eighty (80) poker machine entitlements and operates eighty (80) gaming machines at the Club Engadine Premises and they will be transferred to Ramsgate RSL on Amalgamation Completion.
49. Ramsgate RSL will, after it has assessed the performance of the gaming machine installation of Club Engadine, consider and review the viability of increasing or decreasing the number of gaming machine including by transferring additional gaming machine entitlements from or to its other premises. Ramsgate RSL will ensure that it maintains the gaming machines to a high standard and replaces them as and when reasonably required and will otherwise modernises and improve the gaming machine area at Club Engadine premises when required.

Admission of the Club Engadine Members to Membership

50. Ramsgate RSL's members will be asked to vote on a special resolution to amend the Constitution of Ramsgate RSL to take effect from Amalgamation Completion to allow members of Club Engadine to become members of Ramsgate RSL as easily as legally possible and to provide that any person who, at Completion of the Amalgamation, is a Life member of Club Engadine will be recognised as a Life member of the Amalgamated Club in respect of Club Engadine Premises.

51. Members of Club Engadine will be admitted as Club Engadine members of the Amalgamated Club and will have the same rights as Associate members under the Ramsgate RSL Constitution but may transfer to any other class of membership for which they are eligible.

Cessation of Trade from Club Engadine Premises

52. The Amalgamated Club intends to continue to trade at the Club Engadine Premises and it does not intend to cease trading from the Club Engadine Premises for at least five (5) years after Amalgamation Completion.
53. The Amalgamated Club can only cease trading from the Club Engadine Premises in limited circumstances.
54. In this regard, the Amalgamated Club may only cease trading from the Club Engadine Premises and/or dispose of the Club Engadine Premises in the following circumstances:
- (a) after the first five (5) years after Amalgamation Completion, if it is not financially viable for the Amalgamated Club to continue trading from the Club Engadine Premises (clause 10.5 sets out the method to be used when determining the financial viability of the premises);
 - (b) if required by any government agency or the order of any court of competent jurisdiction compelling the Amalgamated Club to cease trading in the ordinary course of its business from the Club Engadine Premises; or
 - (c) if the Club Engadine Premises are destroyed, or partially destroyed, and any resulting insurance claim is not sufficient to re-instate or re-build an operational club house at the Club Engadine premises.
55. The Club Engadine Premises will not be financially viable if, in any twelve (12) month period (commencing after the five (5) years after completion of the amalgamation), the EBITDARD percentage for the Club Engadine Premises is ten per cent (10%) or less with such EBITDARD percentage to be determined by an independent company auditor.
56. [EBITDARD means: earnings before interest, tax, depreciation amortisation, rent]
57. For the purposes above:
- (a) Ramsgate RSL must prepare separate financial reports for Club Engadine Premises.
 - (b) Ramsgate RSL must not knowingly or wilfully do anything or omit doing anything which adversely impacts upon Club Engadine Premises' ability to achieve the Minimum EBITDARD.
 - (c) If Ramsgate RSL wishes to cease trading from Club Engadine Premises:
 - (i) Ramsgate RSL must engage an independent third party (and not Ramsgate RSL's auditor or accountant) to prepare a report on the EBITDARD of Club Engadine Premises; and
 - (ii) Ramsgate RSL can only cease trading from Club Engadine Premises if the report (which is to be made publicly available) declares that Club Engadine Premises did not achieve the Minimum EBITDARD in that Year.

The Amalgamation Process

58. Each club must hold a meeting of its members to approve the amalgamation in the same terms as the Ordinary Resolution above.
59. 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. Ramsgate RSL will have the carriage of that application.
60. Once the approval of the Authority 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) Club Engadine will transfer its agreements, assets, debts and liabilities to Ramsgate RSL, including Club Engadine land and poker machine entitlements;
 - (b) All members of Club Engadine who have consented to become members of Ramsgate RSL will be admitted to membership of Ramsgate RSL;
 - (c) Club Engadine employees who accept employment with Ramsgate RSL will become employees of Ramsgate RSL;
 - (d) Club Engadine club licence will be transferred to Ramsgate RSL;
 - (e) Ramsgate RSL will become responsible for the management, business and affairs of the Club Engadine Premises.

After Amalgamation Completion, Club Engadine will proceed to a members' voluntary winding up.

Information sessions for members

61. The Club will have [2] information sessions for members. The information sessions will be held at the Club on [13/3/2022] 2022 at the Club at [10am] and [14/3/2022] 2022 at the Club at [6pm].
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Dated:

By direction of the Board

**Nerida Grant
General Manager**