



THE WOLLONGONG EX-SERVICES CLUB LIMITED (ACN 001 003 854)

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of the Wollongong Ex-Services Club Limited (ACN 001 003 854) (**City Diggers** or **Club**) will be held on Tuesday 24th March, 2020 at 6pm at the Club's premises, 82 Church Street, Wollongong, NSW 2500 in the Auditorium.

BUSINESS

To consider and if thought fit, pass the Ordinary Resolution to approve in principle the amalgamation of City Diggers and Wollongong Golf Club Limited (ACN 000 740 983) (**Wollongong Golf Club**).

ORDINARY RESOLUTION

"That the Members hereby:

1. *approve in principle the amalgamation of the Wollongong Ex-Services Club Limited (ACN 001 003 854) (**City Diggers**) with Wollongong Golf Club Limited (ACN 000 740 983) (**Wollongong Golf Club**), such an amalgamation to be effected by:*
 - (a) *the continuation of Wollongong Golf Club (as the Amalgamated Club) and the dissolution of City Diggers;*
 - (b) *the transfer of City Diggers' assets and liabilities to Wollongong Golf Club; and*
 - (c) *the transfer of the Club licence of City Diggers to Wollongong Golf Club.*
2. *the making of an application to the Independent Liquor & Gaming Authority for the transfer of the Club licence of City Diggers to Wollongong Golf Club for the purposes of such an amalgamation."*

EXPLANATORY MESSAGE REGARDING THE ORDINARY RESOLUTION

General Information

1. A general meeting has been called to consider the Ordinary Resolution for the proposed amalgamation of City Diggers with Wollongong Golf Club.
2. Both City Diggers and Wollongong Golf Club are registered clubs holding Club licences under the *Liquor Act 2007* (NSW) (**Liquor Act**). The amalgamation of the two registered clubs must be effected pursuant to the provisions of Division 1A of Part 2 of the *Registered Clubs Act 1976* (NSW) (**Registered Clubs Act**).
3. Under section 17AB of the Registered Clubs Act, an amalgamation occurs when the licence of one club is transferred to the other club by the Independent Liquor & Gaming Authority (**Authority**) under s. 60 of the Liquor Act and the transferring club is then dissolved.

Background

4. The Board and Management assessed a range of options that could maintain the Club as a viable amenity for members for the longest possible time. The options available to the Club ranged from undertaking a property project involving a redevelopment or a sale to a third party with a lease back to the Club. Another option was to explore amalgamation and negotiate a good outcome which ensured the continuation of the City Diggers premises.
5. Earlier during 2019 City Diggers' Board determined that the Club's financial situation was best addressed by way of an amalgamation with another strong club to continue to provide good quality sporting and social activities and facilities for members.
6. Wollongong Golf Club called for expressions of interest for amalgamation on 20 August 2019.
7. City Diggers responded to Wollongong Golf Club with an expressions of interest on 20 August 2019.
8. The Board of Wollongong Golf Club accepted the expression of interest from City Diggers. It is the Board's unanimous belief that an amalgamation with Wollongong Golf Club on the terms set out and agreed in the MOU will best serve the members' interests.
9. The terms of the proposed amalgamation are set out in a Memorandum of Understanding (**MOU**) between City Diggers and Wollongong Golf Club entered into on 25 February, 2020. The MOU covers matters that are required to be dealt with under the Registered Clubs Act, along with other commercial matters connected to the amalgamation.
10. Copies of the MOU are available for members from City Diggers administration office upon request. A copy of the MOU is also on display on the City Diggers notice board and website at <https://citydiggers.com.au/amalgamation/>
11. Members will have a reasonable opportunity to ask questions at the general meeting when Malcolm Heard from the Club's solicitors Heard McEwan Legal will also be in attendance to offer further explanation if desired.

Summary of the Amalgamation Process

12. Under s. 17AEB of the Registered Clubs Act, the Authority will not approve the transfer of the Club licence unless it is satisfied, among other things, that the proposed amalgamation has been approved in principle at separate extraordinary general meetings of the members of both clubs proposing to amalgamate.

13. If this Ordinary Resolution is approved, the members will be authorising the making of the application to the Authority for approval of the amalgamation and transfer of the Club licence.
14. At the Wollongong Golf Club General Meeting members will be asked to consider resolutions to:
 - (a) approve the amalgamation; andamend Wollongong Golf Club's Constitution to facilitate the transfer of members from City Diggers to Wollongong Golf Club in the amalgamation process, in accordance with the MOU.
15. If the amalgamation is approved by both clubs and the Authority, Wollongong Golf Club will continue as the "Amalgamated Club" and City Diggers will then be dissolved.

Some Key Terms of the Proposed Amalgamation

16. The Board recommends to members that they carefully read the MOU before voting.
17. This notice does not set out all matters which are contained in the MOU. However, some key matters for consideration by members include:
 - (a) On completion of the amalgamation, City Diggers' premises situate at 82 Church Street, Wollongong, NSW 2500 (**City Diggers' Premises**) would become additional registered club premises of Wollongong Golf Club as the Amalgamated Club.
 - (b) As part of the amalgamation process (and thereafter where applicable under the MOU and subject to its terms), Wollongong Golf Club will:
 - (i) invite members of City Diggers to become members of the Amalgamated Club who will be identified as "**City Diggers Social Members**";
 - (ii) establish a class of membership under Wollongong Golf Club's Constitution being "City Diggers Social Members". Transferring members of City Diggers will be invited to join under this class;
 - (iii) recognise Life Members of City Diggers by establishing a class of membership under Wollongong Golf Club's Constitution being "**City Diggers Life Members**". Such persons will become Life Members of the Amalgamated Club and will only be required to pay the minimum annual subscription required by the Registered Clubs Act;
 - (iv) for five (5) years maintain on its board two (2) Directors who are City Diggers Social Members;
 - (v) maintain all significant RSL-related features at the City Diggers premises including the external cenotaph and the entry display while it continues to trade from the City Diggers Premises and continue to provide to Wollongong RSL sub-branch and related bodies the use of the existing space on the City Diggers Premises;
 - (vi) provide high quality facilities and services to members of the Amalgamated Club at the City Diggers Premises;

- (vii) transfer the ownership of all gaming machine entitlements to the Amalgamated Club but retain at least sixty five (65) at City Diggers Premises;
- (viii) maintain a modern gaming facility within the City Diggers Premises and with an annual upgrade of at least:
 - (A) four new electronic gaming machines; and
 - (B) eight software conversions or upgrades.
- (ix) continue the existing Members Ultimate Awards Tier Program in current or substantially similar form for three (3) years so that City Diggers Social Members can maintain their accumulated points and existing benefits;
- (x) continue to support City Diggers sub-clubs and existing beneficiaries;
- (xi) continue to operate the City Diggers Premises for a minimum period of five (5) years (unless it ceases to trade upon the order of a Court or body that regulates clubs or a government authority or if after a review after three (3) years and then annually, the City Diggers Premises are not financially viable);
- (xii) offer employment to all employees of City Diggers. Any employee who does not accept that offer will be paid out the entitlements as specified in the MOU. Employees who transfer to Wollongong Golf Club will receive continuity of employment and their accrued entitlements will be honoured by the Amalgamated Club;
- (xiii) appoint its General Manager as Secretary and Chief Executive Officer of the Amalgamated Club.


Background Information

18. Wollongong Golf Club currently has other premises located at 151-161 Corrimal Street, Wollongong with a range of facilities including bars, dining options and gaming machines. The amalgamation with Wollongong Golf Club will thereby provide members of City Diggers with access to a broader range of facilities. Wollongong Golf Club has significant management expertise that it can provide for the benefit of members and in improving the facilities at City Diggers' premises.
19. The Amalgamated Club will give City Diggers members credit for any annual subscription paid in respect of their membership of City Diggers up to the end of the financial year during which the Amalgamated Club commences.
20. The Amalgamated Club will continue to provide to the WRSL sub-branch and related bodies the use of the existing office space on the City Diggers Premises and for the lifetime of the Amalgamated Club will assume and perform City Diggers' current obligations to the WRSL sub-branch.

General Notes Regarding the Ordinary Resolution

21. In accordance with the Registered Clubs Act and City Diggers' Constitution, Life Members and Financial Ordinary Members are eligible to attend the general meeting and vote on the Ordinary Resolution.
22. To be passed, the Ordinary Resolution requires votes in favour from a simple majority of those members who, being eligible to do so, are present and vote on the Ordinary Resolution.
23. Under the *Registered Clubs Act*:
 - (a) members who are employees of City Diggers are not entitled to vote; and
 - (b) proxy voting is prohibited.
24. The Board encourages members to attend and vote on this important opportunity for our Club.
25. **The Board will hold an information night on at Monday 16th March, at 6pm. All members eligible to vote on the Ordinary Resolution for the amalgamation are invited to join a presentation about the proposed amalgamation with an opportunity for Members to ask the Board questions about the amalgamation. Light refreshments will be provided.**
26. **Questions can be submitted before the information meeting to mjordan@citydiggers.com.au or posted to General Manager, City Diggers Wollongong, PO Box 85, Wollongong East, 2520.**

By Order of the Board of Directors


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Mark Jordan, General Manager

Dated: 28th February, 2020
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