



NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of Eastern Suburbs Leagues Club Ltd (**Easts Leagues**) will be held at Easts Leagues Club, 93-97 Spring Street, Bondi Junction, NSW 2022 on **Tuesday, 22 August 2017 at 5.30pm**.

BUSINESS TO BE CONDUCTED

1. Apologies.
2. To consider and if thought fit, to pass the Ordinary Resolutions set out in this Notice of General Meeting.

FIRST ORDINARY RESOLUTION

"That the members declare, for the purposes of section 41J of the *Registered Clubs Act 1976 (NSW)*, the land contained in lot 1 in deposited plan 812644 located at 82-90 Blackwall Road, Woy Woy which comprise the land and premises known as Woy Woy Leagues, not to be core property of Easts Leagues."

Explanatory notes regarding the First Ordinary Resolution

1. The land and premises of Woy Woy Leagues which comprise lot 1 in deposited plan 812644 located at 82-90 Blackwall Road, Woy Woy (**Woy Woy Property**) is "core property" for the purposes of the *Registered Clubs Act 1976 (NSW)* (**Registered Clubs Act**).
2. Under section 41J of the Registered Clubs Act, "core property" includes:
 - (a) the (licensed) premises of the Club;
 - (b) any facility provided by the Club for the use of its members and their guests; or
 - (c) any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the Club, to be core property,unless it has been declared not to be core property by resolution of the ordinary members of the Club in General Meeting.
3. Under section 41J of the Registered Clubs Act "core property" cannot be disposed of (which includes by sale, a lease or a licence) unless:
 - (a) the property has been valued by a qualified valuer;
 - (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which a majority of the votes cast supported the approval; and
 - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer,except in circumstances specified in the *Registered Clubs Regulation 2015 (NSW)*, which are either unlikely to cover all aspects of a sale or other disposal or may require further general meeting(s) to authorise the sale or other disposal of the Woy Woy Property.
4. If the First Ordinary Resolution is passed, the Woy Woy Property will be classified as "non-core" property for the purposes of section 41J of the Registered Clubs Act and the Board will be able to redevelop and/or dispose

of the land (for example by way of subdivision, sale and/or lease) as it considers fit, without needing to call further General Meetings to obtain any further approval under the Registered Clubs Act, but subject to the passing of the Second Ordinary Resolution.

5. The Board of Easts Leagues is looking to redevelop the Woy Woy Property so that it will include a new clubhouse and may include independent seniors living units. As part of the Board's strategic planning for the future of Easts Leagues, the Board is considering proposals for development of the Woy Woy Property which may include the building of independent seniors living units.
6. In order to engage consultants to construct a new clubhouse for Woy Woy Leagues and to prepare further recommendations and concept plans for the best use of the balance of the Woy Woy Property, the Board proposes that the Woy Woy Property be declared as "non-core" property by the members so the Board will then have greater flexibility in dealing with that land in any project for redevelopment, which may include independent seniors living units. Those units can either be sold or leased on a long term basis if the First and Second Ordinary Resolutions are passed.
7. The Board will ensure that any redevelopment of the Woy Woy Property will include a licensed clubhouse with excellent facilities for members, including restaurant, bars, gaming machines, TAB, Keno and entertainment.
8. It is not the intention of the Board to sell or enter into long term leases for the whole of the Woy Woy Property. However, because plans will need to be developed and prepared following the advice of consultants and discussions with the local Council, the location of the new clubhouse on the Woy Woy Property and the staging of the development process are not yet determined. Therefore, it is proposed to declare all of the Woy Woy Property as non-core to give the Board the greatest flexibility in dealing with consultants and third parties for the proposed redevelopment.
9. Woy Woy Leagues continues to record net trading loss each year since amalgamation in December 2012. The total accumulated loss since amalgamation until 31 October 2016 is \$1,144,494. These losses are clearly not sustainable going forward with the existing building having poor design and cannot be viable under the current format and structure.

**SECOND ORDINARY RESOLUTION
(TO BE PUT TO THE GENERAL MEETING ONLY IF THE
FIRST ORDINARY RESOLUTION IS PASSED)**

"That the members authorise, for the purposes of rule 56(j) of the Constitution of Easts Leagues, sale, exchange or other disposal of the land contained in lot 1 in deposited plan 812644 located at 82-90 Blackwall Road, Woy Woy which comprise the land and premises known as Woy Woy Leagues."

Explanatory notes regarding the Second Ordinary Resolution

1. The Second Ordinary Resolution will only be put to the general meeting if the First Ordinary Resolution is passed.
2. Rule 56(j) of the Easts Leagues Constitution requires the sanction of a general meeting for the sale or exchange (or other disposal) of land or buildings which form part of the licensed premises. The need for a separate ordinary resolution under rule 22 of the Easts Leagues Constitution to the declaration of land to be non-core under the Registered Clubs Act is because:
 - (a) under rule 22 of the Constitution, only Life Members and financial Executive Members can vote on all matters at general meetings;
 - (b) rule 22 of the Constitution is therefore intended to only authorise Life Members and Executive Members to vote on a sale of land which forms part of licensed premises; and
 - (c) although a declaration of land being non-core for the purposes of section 41J of the Registered Clubs Act may be voted upon by all financial full members (i.e. all Life Members and all financial Ordinary Members of any class) who attend the general meeting, that on its own is subject to any additional requirement of a registered club's constitution, such as rule 56(j) of the Easts Leagues Constitution, which may only be voted on by Life Members and financial Executive Members.
3. The Woy Woy Property includes licensed premises of Woy Woy Leagues and is therefore subject to rule 56(j) of the Easts Leagues Constitution.

THIRD ORDINARY RESOLUTION

"That the members hereby:

1. approve in principle the amalgamation of Bondi Golf and Diggers Club Limited ABN 47 001 066 708 ("**Bondi Golf and Diggers**") with Eastern Suburbs Leagues Club Ltd ABN 63 000 249 490 ("**Easts Leagues**") such an amalgamation to be effected by:
 - (a) the continuation of Easts Leagues (as the Amalgamated Club) and the dissolution of Bondi Golf and Diggers;
 - (b) the transfer of Bondi Golf and Diggers' assets to Easts Leagues; and
 - (c) the transfer of the club licence of Bondi Golf and Diggers to Easts Leagues;

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 Bondi Golf and Diggers to Easts Leagues for the purposes of such an amalgamation."

Explanatory notes regarding the Third Ordinary Resolution

General

1. The purpose of the Third Ordinary Resolution is to approve in principle the proposed amalgamation of Easts Leagues with Bondi Golf and Diggers.
2. The amalgamation of two registered clubs must be effected pursuant to the provisions of Division 1A of Part 2 of the Registered Clubs Act.
3. Both Easts Leagues and Bondi Golf and Diggers hold club licences under the *Liquor Act 2007 (NSW)* (**Liquor**

Act). Under section 17AB of the Registered Clubs Act, an amalgamation occurs when the club licence of one club is transferred to the other club, under section 60 of the Liquor Act.

4. The transfer of the club licence of Bondi Golf and Diggers to Easts Leagues Club is subject to approval by the Independent Liquor and Gaming Authority (**Authority**). Under section 17AEB of the Registered Clubs Act the Authority may not approve the transfer unless it is satisfied that the proposed amalgamation has been approved in principle at separate extraordinary general meetings of the ordinary members of both clubs proposing to amalgamate (being in each case an approval supported by a majority of the votes cast at the meeting).
5. This means that the Third Ordinary Resolution must be passed before the Authority will approve the transfer of the club licence of Bondi Golf and Diggers to Easts Leagues and for the amalgamation to proceed.
6. A general meeting of members of Bondi Golf and Diggers will be held on Wednesday, 26 July 2017. At that general meeting, members of Bondi Golf and Diggers will be asked to consider and approve a similar ordinary resolution.
7. If the amalgamation is approved by both clubs and the Authority, Easts Leagues will continue as the amalgamated club and Bondi Golf and Diggers will be dissolved.
8. If the Third Ordinary Resolution is approved, the members will be authorising the making of the application to the Authority for approval of the amalgamation.

Terms of the amalgamation

9. The terms of the amalgamation are set out in a Memorandum of Understanding (**MOU**) and Deed of Amalgamation (**Deed**) which have been entered into between the Easts Leagues and Bondi Golf and Diggers. The Deed deals with commercial and other matters connected to the amalgamation, which do not need to be included in the MOU.
10. A copy of the MOU is on display on the Easts Leagues notice boards and copies may be obtained from the Easts Leagues administration office upon request.
11. A copy of the MOU is also available on the Easts Leagues webpage at www.eastsgroup.com.au. The Board of Easts Leagues recommends to members that they carefully read the MOU and Deed before attending the General Meeting.
12. In summary, under the MOU and Deed:
 - (a) Bondi Golf and Diggers will be wound up as the dissolving club in the amalgamation, with Easts Leagues being the continuing club as the corporate vehicle for the Amalgamated Club;
 - (b) Bondi Golf and Diggers' leased premises located at 5 Military Road, North Bondi NSW 2026 (being lots 1 and 2 in deposited plan 916095 and lot 7056 in deposited plan 93856 (**Bondi Golf and Diggers Premises**)), comprising a clubhouse and nine hole golf course will become one of the licensed premises and facilities of Easts Leagues;
 - (c) Easts Leagues as the Amalgamated Club will maintain the sporting and social activities of Bondi Golf and Diggers (subject to consent of the relevant authorities being obtained);
 - (d) The future direction of the Amalgamated Club will be subject to the overall strategic plan of the Amalgamated Club and its finances. The Amalgamated Club will:
 - (i) promote and develop the Bondi Golf and Diggers Premises and other premises of the Amalgamated Club;
 - (ii) provide high quality facilities and services to

members of the Amalgamated Club; and
(iii) Improve the trading position and increase the value of the assets of the Amalgamated Club.

- (e) Members of Bondi Golf and Diggers will be invited to become members of Easts Leagues.
- (f) Easts Leagues will offer employment to all employees of Bondi Golf and Diggers. Any employee who does not accept an offer of employment will be paid their documented and verified employee entitlements (except personal carer's leave).
- (g) The Amalgamated Club will continue to trade at the Bondi Golf and Diggers Premises for at least 3 years following completion of the amalgamation unless the Authority approves of a disposal of the Bondi Golf and Diggers Premises within that period on the grounds it is necessary to ensure the survival of Easts Leagues (as the Amalgamated Club) and the majority of members of the Amalgamated Club have approved the disposal, and subject to any new Crown Lease granted to Easts Leagues following expiry of the existing Crown Lease which is due to expire 31 December 2018.
- (h) Easts Leagues will honour all subscriptions paid by members of the Bondi Golf and Diggers up to the date of expiry of the subscription for the Bondi Golf and Diggers financial year in which the amalgamation is completed. This means that after this date, all members will need to pay annual subscriptions. Life Members of Bondi Golf and Diggers will continue to be recognised as life members in respect of the Bondi Golf and Diggers Premises but will not be Life Members of the Amalgamated Club although they will only be required to pay the minimum annual subscription for ordinary membership of the Amalgamated Club as required by the Registered Clubs Act (which is currently \$2 per annum).

Reasons for amalgamation

- 13 Bondi Golf and Diggers has assets comprising its club licence at Bondi Golf and Diggers' Premises, 11 gaming machine entitlements, stock in trade and other moveable assets and a Crown Lease of its premises. The amalgamation will result in the transfer of the assets of the Club to Easts Leagues, including a transfer of the Crown Lease.
- 14 Both clubs are registered clubs which have similarities in their objects concerning the promotion of sporting and recreational activities.
- 15 The Bondi Golf and Diggers Premises include the following facilities:
 - (a) a bistro style restaurant;
 - (b) a bar including TAB and KENO facilities;
 - (c) gaming machine area with 11 gaming machine entitlements and machines;
 - (d) fully functioning kitchen; and
 - (e) a nine-hole course, with excellent views of the Sydney coastline from North Head to Malabar.
- 16 The Bondi Golf and Diggers Premises (including the clubhouse and surrounding land comprising lots 1 and 2 in deposited plan 916095 and lot 7056 in deposited plan 93856) is leased from the Crown. The current Crown Lease expires 31 December 2018. The Crown lease and all other assets, including the club licence of Bondi Golf and Diggers, will be transferred to Easts Leagues on completion of the amalgamation.
- 17 The current financial position of Bondi Golf and Diggers is that as at 31 December 2016 (being the end of its last financial year and based on its most recent audited financial reports), it had total assets of \$1,291,447 and total liabilities of \$396,707. The net assets are therefore \$894,740.
- 18 Bondi Golf and Diggers has about 800 members.

- 19 The current financial position of Easts Leagues is that as at 31 October 2016 (being the end of its last financial year and based on its most recent audited financial reports), it had total assets of \$84,400,696 and total liabilities of \$19,313,414. The net assets are therefore \$65,087,282.
- 20 Easts Leagues has over 40,000 members.
- 21 The amalgamation with Bondi Golf and Diggers will give Easts Leagues a stronger presence in the Waverley Council Local Government Area.
- 22 The Bondi Golf and Diggers's affiliation with the game of golf will provide additional facilities and activities available for members of the Amalgamated Club.
- 23 If the amalgamation proceeds to completion, Easts Leagues intends to seek a new long term Crown Lease of the site and then improve the facilities available at the Bondi Golf and Diggers premises, including construction of bowling greens.
- 24 The addition of the Bondi Golf and Diggers Premises as premises of the Amalgamated Club will add to the members' facilities, asset value and membership of the Amalgamated Club.
- 25 The Board believes that the Bondi Golf and Diggers Premises will be profitable once the expenditure on the facilities is undertaken by the Amalgamated Club.

FOURTH ORDINARY RESOLUTION

"That the members declare, for the purposes of section 41J of the *Registered Clubs Act 1976 (NSW)*, the land contained in lot 1 in deposited plan 966387, lot 2 in deposited plan 1114418 and lot 301 in deposited plan 1114421 located at 163 Birrell Street, Waverley which comprise the land, premises and bowling greens known as Waverley Bowling Club, not to be core property of Easts Leagues."

Explanatory notes regarding the Fourth Ordinary Resolution

- 1. The land, premises and bowling greens of Waverley Bowling Club which comprise lot 1 in deposited plan 966387, lot 2 in deposited plan 1114418 and lot 301 in deposited plan 1114421 located at 163 Birrell Street, Waverley (**Waverley Property**) are "core property" for the purposes of the Registered Clubs Act.
- 2. Paragraphs numbered 2 and 3 of the explanatory notes to the First Ordinary Resolution about section 41J of the Registered Clubs Act also apply to the Fourth Ordinary Resolution.
- 3. If the Fourth Ordinary Resolution is passed, then the Waverley Property will be classified as non-core property of the Club. If the Fourth Resolution is passed, the Board will be able to redevelop and/or dispose of the land (for example by way of subdivision, sale and/or lease) as it considers fit, without needing to call further General Meetings to obtain any further approval under the Registered Clubs Act, but subject to the passing of the Fifth Ordinary Resolution.
- 4. As part of the Board's strategic planning for the future of Easts Leagues, the Board is considering proposals for construction of a new clubhouse and development of the Waverley Property which may include the building of independent seniors living units.
- 5. The Board is now proposing to engage consultants to prepare recommendations and concept plans for the best use of the Waverley Property, which will include a new clubhouse.
- 6. Before the Club incurs the costs of further work being undertaken, such as engaging consultants to prepare recommendations and develop concept plans for the best use of the Waverley Property, it proposes that the Waverley Property be declared as "non-core" property by the members so the Board will then have greater flexibility in dealing with that land for redevelopment.

- Notwithstanding any redevelopment of the Waverley Property, it is intended that licensed clubhouse premises will be retained at the Waverley Property. If the amalgamation with Bondi Golf and Diggers proceeds to completion, Easts Leagues will seek a new long term Crown lease of the Bondi Golf and Diggers site and it will become the bowling venue in the Waverley Local Government Area as it is proposed to construct two new bowling greens on the Bondi Golf and Diggers site. Members of Easts Leagues will have the benefit of those new facilities following their construction.
- Waverley Bowling Club continues to record net trading loss each year since amalgamation in August 2010. The total accumulated loss since amalgamation until 31 October 2016 is \$965,519. These losses are clearly not sustainable going forward with the existing building being aged and cannot be viable under the current format and structure.

**FIFTH ORDINARY RESOLUTION
(TO BE PUT TO THE GENERAL MEETING ONLY IF THE
FOURTH ORDINARY RESOLUTION IS PASSED)**

“That the members authorise, for the purposes of rule 56(j) of the Constitution of Easts Leagues, sale, exchange or other disposal of the land contained in lot 1 in deposited plan 966387, lot 2 in deposited plan 1114418 and lot 301 in deposited plan 1114421 located at 163 Birrell Street, Waverley which comprise the land, premises and bowling greens known as Waverley Bowling Club.”

Explanatory notes regarding the Fifth Ordinary Resolution

- The Fifth Ordinary Resolution will only be put to the General Meeting if the Fourth Ordinary Resolution is passed.
- The Fifth Ordinary Resolution will be put to the general meeting for the reasons set out in paragraph numbered 2 in the explanatory notes to the Second Ordinary Resolution. That is, the Fifth Ordinary Resolution will be put to the general meeting because it is an additional requirement under rule 56(j) of the Easts Leagues Constitution for any sale or other disposal of land which forms part of licensed premises of Easts Leagues.
- The Waverley Property includes licensed premises of Waverley Bowling Club and is therefore subject to rule 56(j) of the Easts Leagues Constitution.

SIXTH ORDINARY RESOLUTION

“That for the purposes of section 21(4) of the *Gaming Machines Act 2001 (NSW) (Gaming Machines Act)*, the members hereby approve in principle the transfer of all gaming machine entitlements held in respect of Easts Leagues’ premises located at 163 Birrell Street, Waverley from those premises to other related registered club premises of Easts Leagues.”

Explanatory notes regarding the Sixth Ordinary Resolution

- Pursuant to section 21(4) of the *Gaming Machines Act*, if for the time being the number of gaming machine entitlements allocated in respect of the premises of a registered club is 10 or less (the **remaining entitlements**), the club cannot transfer any of those remaining entitlements unless the transfer has been approved in principle at an extraordinary general meeting of the ordinary members of the club (being an approval supported by a majority of the votes cast at the meeting).
- Gaming machine entitlements are required for a registered club to keep gaming machines at any of its premises and the number of machines cannot exceed the number of

- gaming machine entitlements held at those premises.
- Gaming machine entitlements can be transferred between premises of a registered club or registered clubs pursuant to the *Gaming Machines Act*, subject to the approval of the Authority.
- The number of gaming machine entitlements issued in relation to the premises and club licence for the Waverley Bowling Club premises/Waverley Property is 19. It is proposed that all those gaming machine entitlements be transferred to other related registered club premises of Easts Leagues.
- The proposed new clubhouse at the Waverley Property will not operate gaming machines. Instead, the new facility will have excellent food and beverage facilities.
- So that the Authority can approve the transfer of gaming machine entitlements when an application is lodged with the Authority, the Sixth Ordinary Resolution is put to members for the purposes of section 21(4) of the *Gaming Machines Act*.
- The transfer of gaming machine entitlements will mean that the number of gaming machines that can be held at other related premises of Easts Leagues will correspondingly be increased by the number of entitlements transferred. That is, the number of gaming machine entitlements and gaming machines for the related registered club premises of Easts Leagues will be increased by 19 following a transfer approved by the Authority.

**GENERAL NOTES REGARDING THE ORDINARY
RESOLUTIONS**

- In accordance with the *Registered Clubs Act* (and in the case of the Sixth Ordinary Resolution – the *Gaming Machines Act*), Life Members and financial Ordinary Members (i.e. all other financial full members of Easts Leagues) are eligible to attend the General Meeting and vote on the First, Third, Fourth and Sixth Ordinary Resolutions.
- In accordance with rule 22 of the Easts Leagues Constitution, only Life Members and financial Executive Members are eligible to attend the General Meeting and vote on the Second and Fifth Ordinary Resolutions.
- To be passed each Ordinary Resolution requires votes from a simple majority of those members who, being eligible to do so, are present and vote on the Ordinary Resolution at the meeting.
- Under the *Registered Clubs Act* and the Easts Leagues Constitution:
 - members who are employees of Easts Leagues are not entitled to vote; and
 - proxy voting is prohibited.
- The Board of Easts Leagues recommends the Ordinary Resolutions to members.

By Order of the Board of Directors



S Bennetts
Company Secretary
Dated 14 July 2017