

Notes emanating from KGC Amalgamation Negotiating Team (ANT) Meeting 25 May 2021

Discussed to adopt the following actions, procedures and protocols for negotiating amalgamation with prospective “parent” clubs.

1. Submit to ClubsNSW KGC EOI objects for them to prepare an Amalgamation EOI Circular.
Action completed.
2. ClubsNSW to register a circular for other clubs to express amalgamation interest.
Action completed – circular to June 1 until 30 June. - Action completed
3. KGC EOI document to be finalised for transmission to prospective amalgamation clubs.
Final draft available – needs sign off by 1 June – Action by DW - Action completed
4. Draft letter to accompany EOI document to prospective amalgamation clubs.
Action completed
5. Draft Amalgamation Terms Sheet to send to parties interested in negotiating amalgamation.
Final draft stage – finalise by 1 June – Action by DW - Action completed
6. Draft letter to accompany Amalgamation Terms Sheet.
To be done – finalise by 1 June – Action by DW - Action completed
7. Draft list of inclusions for Course Plan including approximate costs for interested parties to include in the Business Plan.
Draft available – finalise by 3 June – Action by DW - Action completed
8. Supply existing clubhouse layout to accompany terms sheet.
Action completed

Negotiation Protocols

9. Send out KGC EOI to clubs seeking or showing amalgamation interest.
Action by S. Lee – commencing 2 June - Action completed
10. Clubs interested in inspecting club course and premises to arrange through S. Lee. ANT to be available at time of inspection. - Ongoing

The following initial information to be made available to these clubs.

- KGC EOI Document
- Year 2021 Business Plan
- Year 2021 Annual Profit/Loss Statement
- Copies of core property land titles

11. Upon request interested clubs, having received the Amalgamation Terms Sheet, the Club Secretary is authorised by ANT to supply the information:

The KGC last 3 years Members Profit/Loss Statement.

Current year rolling Profit/Loss reports

Evidence of gaming machine entitlements

Evidence of Club Registration

Statement of KGC cash funds on hand

Preliminary list of Course Plan requirements with cost estimates

Action by S. Lee – under authority of ANT - Ongoing

12. All enquiries relating to amalgamation and the Amalgamation Terms Sheet, other than those identified in items 9, 10 and 11, must be referred to ANT. - Ongoing
13. Matters relating to the Amalgamation Terms Sheet will be managed by ANT. - Ongoing
14. ANT, after assessing the amalgamation offers, will provide the KGC Board with:

A list of prospective offers that did not provide a reasonable benefit and give valid reason why these clubs were discounted.

A short list of prospective amalgamation clubs to engage further negotiation with.

A recommendation for a preferred amalgamation “parent” club.

15. It is important for ANT to negotiate in good faith and there will be matters of a confidential nature that ANT will not be able to disclose until final amalgamation is agreed. To this effect ANT will adopt the following guidelines for negotiation.

All negotiations with other parties will only be through ANT.

ANT will keep the Board and members advised of any significant during the negotiation process.

ANT will not divulge any sensitive negotiation matters, including the value of the benefit to KGC until final formal agreement is made with the preferred “parent” club. ANT as this stage may then divulge the benefits submitted by other unsuccessful clubs.

Prospective clubs will be required to provide their best benefit offer first up in order for ANT to assess a short list for further negotiation.

Clubs on the short list may be asked to revise their benefit offer however Ant will not disclose to any other club on the short list the remaining clubs offers.

ANT will recommend to the KGC Board a preferred “parent” club that presents the best benefit not only to KGC but also to the local community. The monetary value of the benefit may not govern the final decision as sustainability of local golf is critical.