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**KURRI GOLF CLUB LTD  
ACN 001 059 052**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE** is hereby given of an Extraordinary General Meeting of **Kurri Golf Club Ltd** to be held at **6:00pm** on **Wednesday 28<sup>th</sup> June 2023** in the Gymnasium at **Kurri Kurri High School**, 11 Deakin Street, Kurri Kurri NSW 2327.

**BUSINESS**

The Business of the Meeting will be to consider and if thought fit pass an Ordinary Resolution to approve an amalgamation between Kurri Golf Club Limited and Kurri Kurri Bowling Club.

**Procedural Matters**

1. Under the relevant provisions of the *Registered Clubs Act 1976 (NSW)*, all members of Kurri Golf Club Ltd (**KGC**) in all classes of membership (other than Provisional, Honorary and Temporary members), are eligible to attend this General Meeting and vote on the Ordinary Resolution.
2. 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.
3. Under the *Registered Clubs Act*, members who are employees are not eligible to vote and proxy voting is prohibited.
4. The Board of Directors of KGC unanimously recommends that KGC members vote in favour of the Resolution.

**ORDINARY RESOLUTION**

*"That the members hereby approve in principle the amalgamation of Kurri Kurri Bowling Club ACN 000 796 501 ("KKBC") with Kurri Golf Club Ltd ACN 001 059 052 ("KGC"), with such amalgamation to be effected by:*

- (a) *the continuation of KKBC as the corporate body of the Amalgamated Club and the dissolution of KGC; and*
- (b) *the granting of an application made to the Independent Liquor & Gaming Authority for the transfer of the club licence held by KGC in respect of its premises at 66 Clift Street Heddon Greta, NSW to KKBC for the purpose of such amalgamation; and*
- (c) *the transfer of the club licence held by KGC to KKBC pursuant to the application referred to in paragraph (b)."*

**EXPLANATORY NOTES TO MEMBERS ON ORDINARY RESOLUTION**

1. The purpose of the meeting is to have members consider the Ordinary Resolution to approve an amalgamation between KGC and KKBC.
2. An amalgamation between two registered clubs is governed by the provisions of the *Registered Clubs Act*.
3. One of the requirements of the *Registered Clubs Act* is that the two clubs have to enter into a Memorandum of Understanding (**MOU**) which covers various matters specifically required by the *Registered Clubs Act* to be covered. The MOU can also deal with additional matters.
4. KKBC and KGC have entered into a MOU. A copy of the MOU is available on the webpage of KGC and a copy is on display on KGC's noticeboard at the premises. Further copies may be obtained on request from KGC's Secretary Manager (Shane Lee).
5. Members are encouraged to carefully read the terms of the MOU and, if they have any questions or are seeking clarification of any matter relating to the amalgamation or what is contained in the MOU, they should direct their enquiries to the Secretary Manager.
6. The following notes summarise some of the principal features of the MOU and the steps that need to be followed in the amalgamation process.

**Dissolution of KGC**

7. The amalgamation is being effected by the dissolution of KGC and the continuation of KKBC.

**Corporate Governance Matters**

8. The constitution of the Amalgamated Club will be KKBC's Constitution, subject to amendments necessary for the purposes of the amalgamation and as specified in the MOU. Those amendments will be contained in a Special Resolution to be considered at a general meeting of KKBC.
9. The Board of the Amalgamated Club will be the Board of Directors of KKBC.
10. The General Manager (Secretary) of KKBC will be the General Manager (and Secretary) of the Amalgamated Club.

**Premises of the Amalgamated Club**

11. The premises of the Amalgamated Club will be the current premises of KGC (**KGC Premises**) and the current premises of KKBC.
12. The Amalgamated Club will:
  - (a) operate the golf course as a standalone 18 hole minimum 71 par golf course facility and promote the course and golf facilities;
  - (b) make improvements to the clubhouse and surrounds of the KGC Premises, with the estimate of those current works to be approximately \$1,376,000.00. As part of this, the Amalgamated Club will implement the KGC Conceptual Plan, which has been initially prepared by KGC's Board, within 5 years of Completion of the Amalgamation. The Plan includes improvements and updates to the golf course and the clubhouse;
  - (c) ensure that it engages a golf professional for the KGC Premises.
13. Under the MOU, the Amalgamated Club could only relocate the golf course if certain conditions set out in the MOU are met, such as the new site being located within 5 km of the current site and also being a minimum standalone 18 hole 71 par golf course.
14. The traditions, amenities, culture, facilities, activities, and memorabilia of KGC will be maintained by the Amalgamated Club.
15. The Amalgamated Club will continue to support the community that was supported by KGC as at the date of the MOU.
16. After Completion of the Amalgamation, the KGC Premises will trade and be promoted as "Kurri Golf Club".
17. Subject at all times to clauses 10 and 11 of the MOU (which deal with maintaining financial viability and a minimum period of ongoing trading), KKBC intends to maintain the KGC Premises and carry on the business of a licensed registered club under the *Registered Clubs Act* and the *Liquor Act 2007 (NSW)* at the KGC Premises with all the facilities and amenities of a registered club.

**Golf Committee**

18. The Board of the Amalgamated Club will create a Golf Committee for the KGC Premises. The Golf Committee will initially be appointed from current Directors from KGC and then will be elected by Golfing members of the Amalgamated Club. The Golf Committee will be able to make recommendations to the Board and/or management of the Amalgamated Club on the following matters:

- (a) for the first 5 years after Completion of the Amalgamation, the fulfilment of the MOU;
- (b) golfing matters (for example, rules of golf) and competitions;
- (c) promotion of golf generally at the KGC Premises;
- (d) membership matters at the KGC Premises;
- (e) an annual golf program of events and competitions;
- (f) membership subscriptions, green fees, competition fees and other amounts relating to the playing of golf.

#### **Golf Competitions and Rewards**

19. The Amalgamated Club will for at least 5 years from Completion of the Amalgamation maintain the program and value of the rewards and trophies for golf competitions.

#### **Subscriptions**

20. Subscriptions will not increase for 12 months from Completion of the Amalgamation.
21. After 12 months from Completion of the Amalgamation and for the first 5 years from Completion of the Amalgamation, subscriptions for Golfing members can only increase annually either by \$20.00 per year or the annual increase in the Consumer Price Index, whichever is greater.
22. The last Golfing subscription paid prior to Completion of the Amalgamation will in effect carry over to the expiry period paid for.

#### **Employees**

23. Prior to Completion of the Amalgamation, but subject to any individual agreement between KKBC and a KGC employee:
- (a) KKBC will offer employment to all of KGC's employees;
  - (b) the offers of employment will be on the same terms and conditions presently offered by KKBC to employees of KKBC provided it does not result in any employee of KGC receiving lesser benefits than they presently receive from KGC;
  - (c) any employee of KGC who accepts the offer of employment with KKBC will receive continuity of employment and their accrued entitlements will be honoured by KKBC;
  - (d) any employee of KGC who does not accept the offer of employment with KKBC will be paid their full entitlements (funded by KKBC when their employment with KGC comes to an end).

#### **Intentions regarding core property, cash and investments and gaming machine entitlements of KGC**

##### **Core Property**

24. KGC's Premises, being the land of the licensed premises and golf course, is currently core property of KGC and it will also be core property of the Amalgamated Club.

##### **Cash and Investments**

25. The cash and investments of KGC will be transferred to the Amalgamated Club on Completion of the Amalgamation other than funds sufficient to pay for the voluntary winding up of KGC.

##### **Gaming Machine Entitlements**

26. KGC currently has 10 gaming machine entitlements which will become an asset of the Amalgamated Club.
27. The Amalgamated Club will maintain a minimum number of 10 entitlements and 10 machines operating at the KGC Premises. If it is necessary to move machines to renovate the licensed premises at the KGC Premises, those entitlements and machines will be moved as soon as practicable after completion of the works, and the entitlements and machines will be reinstated.

##### **Ceasing trading from KGC Premises**

28. KKBC does not intend to cease trading from the KGC Premises or cease the golfing activities at those premises.
29. KKBC will continue to trade from the KGC Premises and continue the golfing activities at those premises for a minimum of 5 years except:
- (a) upon the order of any court or body with jurisdiction to administer the laws in relation to liquor, gaming and registered clubs; or
  - (b) upon the lawful order of any government authority; or
  - (c) if the KGC Premises are destroyed or partially destroyed by fire, flood, storm or other similar event and any insurance claim is not reasonably sufficient to fund the construction of a premises.
30. In addition to the minimum 5 year period referred to above, the clubs have agreed that the Amalgamated Club can only cease trading at the KGC Premises between the fifth and twentieth anniversary of Completion of the Amalgamation if it is not financially viable to continue trading at the KGC Premises. The test for financial viability will be if in any two consecutive 12 month periods, the EBITDARD percentage for the KGC Premises is 10% or less. EBITDARD is an accounting term and means earnings before interest, taxes, depreciation, amortisation, rent and donations.

##### **Admission of KGC's Members to KKBC**

31. If the members of KGC pass the Ordinary Resolution in this Notice, KKBC will convene its own General Meeting. At that meeting, in addition to the resolution to approve the amalgamation, a Special Resolution will be put to members to amend the KKBC Constitution to admit members of KGC.
32. If passed, the Special Resolution will allow all eligible members of KGC to become members of KKBC as easily as legally possible.
33. A KGC member who is admitted to membership of KKBC will be identified as a separate class called "KGC members". The KKBC Constitution would also be amended to create separate categories and sub-categories of golfing membership being:
- (a) Bowling/Golf members, including the sub-category of Bowling/Golf Youth members for persons between 18 and 21 years of age inclusive;
  - (b) Bowling/Pensioner Golf members comprising persons who are in receipt of a Commonwealth government pension;
  - (c) Golf members, including the sub-category of Golf Youth members for persons between 18 and 21 years of age inclusive;
  - (d) Pensioner Golf members comprising persons who are in receipt of a Commonwealth government pension;
  - (e) Junior Golf members between 12 and 17 years of age inclusive;
  - (f) Sub-Junior Golf members under 12 years of age.
34. Any person who, at Completion of the Amalgamation is a Life member of KGC will become a Life member of KKBC.

##### **The Amalgamation Process**

35. Each club must hold a General Meeting to approve the amalgamation in the same terms as the Ordinary Resolution above.
36. Assuming KKBC's members approve the amalgamation, an application will be made to the Independent Liquor and Gaming Authority for its approval of the amalgamation. KKBC will have the carriage of that application.
37. Once the approval of the Independent Liquor and Gaming Authority to the amalgamation has been obtained (and subject to due diligence and all other necessary steps being completed) there will be a formal commercial settlement. On the day of that commercial settlement the following things (among others) will happen:
- (a) KGC will transfer its assets to KKBC, including its land (which is defined as "core property" under the *Registered Clubs Act*);
  - (b) all members of KGC who have accepted KKBC's invitation to become a member of KKBC, will be admitted to membership of KKBC;
  - (c) KGC employees who are offered and accept employment with KKBC will become employees of KKBC;
  - (d) the club licence under the *Liquor Act* held by KGC in respect of the KGC Premises will be transferred to KKBC;
  - (e) KKBC will become responsible for the management, business and affairs of the KGC Premises.
38. After Completion of the Amalgamation, KGC will then proceed to a members' voluntary winding up.