

KURRI GOLF CLUB LTD

**PROPOSED AMALGAMATION WITH
KURRI KURRI BOWLING CLUB**

**QUESTIONS AND ANSWERS
(Version #5, 16 May 2023)**

Amalgamation Questions and Answers

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Note to Members: This Questions and Answers document is not a substitute for reading the Memorandum of Understanding (MOU) signed by KGC and KKBC. If there is any inconsistency between information in this document and the MOU, the MOU will prevail.

Q1. Why did KGC decide to seek an amalgamation partner?

The KGC Board has reviewed the financial position and outlook of the Club (KGC). If KGC continued to perform at the current level it became apparent that KGC may experience, at some stage down the track at a time in the not too distant future, solvency issues.

KGC has a short term business strategy and a clear direction, however, the projected profitability is low and does not in any way meet the expectations of this strategy.

It became clear that KGC would need a cash injection and changes in its operation and administration to achieve its business goals.

The Board does not believe that selling off its major assets, whether they be land, EGMs or any other assets, is the solution. The Board agreed that these are valuable club assets that should be preserved for the members and community and only disposed of as a last resort.

KGC has no historical liability, however, if the Club wishes to move forward into sustained profitability it will need a significant cash injection (including the possibility of borrowing money). As well, there will need to be a significant increase in staff and administration to cater for extension of clubhouse operating hours and additional member and guest functionality.

KGC has nearly always operated as a volunteer assisted business. The Board agrees that the progression to a more community based operation was well above its ability and expertise to implement and administer. Amalgamation with an established, well administered and financially strong local Club was thought to be the best way forward.

Q2. What is the current KGC financial position and business future business sustainability?

KGC, fortunately in the last 3 years, has been in a position to accumulate a modest but reasonable cash fund. This is due mainly to compensation for loss of amenity by an adjoining development and government support through the COVID 19 crisis.

COVID restrictions and lockdowns have had a negative impact on clubhouse profits. In particular gaming revenue, however, golf being an allowable outdoor activity has seen a surge in popularity resulting in an increase in course revenue and golfer membership. The additional profits from these interests have been offset by a deliberate intent by the Board to arrest a trend of Course deterioration and golfer participation lag. Changes to Course staff and an injection of funds for Course improvements, in particular automatic irrigation, have resulted.

KGC is committed in the 2023 financial period to extend its irrigation project and continued operation and improvement of the Course is our priority.

It is obvious and in the opinion of the Board that the Club does not generate sufficient income and cash flow to sustain the capital needed to satisfy the essential requirements of the Course Plan and move the business into a sound position of sustained viability. This threatens the longevity of the 90 year KGC legacy. KGC in its current state does not have the cash funds, projected profitability or administration structure to ensure this legacy survives.

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KGC relies heavily on non-trading income, in particular, member annual subscriptions to effectively trade. In the recent past there have been several years when bank overdraft monies have been required to tide over creditor payments until annual subscriptions have been recovered. Fortunately, and sometimes by good luck rather than good management, KGC has always been able to pay its bills on time. However, this just in time payment is risky, not ideal and threatens the sustainability of ongoing KGC business.

KGC cannot continue to survive without ensuring its assets are managed properly and efficiently as key business elements and member demands require continual upgrades to the Course and Clubhouse.

The past history of administration and risk cannot be relied on for the future as a regular income stream is required. KGC needs an injection of capital to stabilise and improve the business.

Clubhouse income is heavily reliant on golfer members and golf participation. Prolonged periods of detrimental weather have a substantial negative impact on our profitability.

EGM returns can only be described as dismal and over the past 5 years gaming returns have waned considerably.

KGC trades marginally once extraordinary income is removed. The business needs to be substantially improved.

To enable decent profit generation:

- Operating hours need to be increased.
- Additional staff employed and rostering administered.
- A review of administration will be required.
- Essential clubhouse upgrades will be required involving borrowing of funds.
- Gaming and catering will need upgrading and beverage pricing needs to be competitive.

Current trading is at an even balance so profits are minimal and the cash fund static. Staff leave entitlements equate to about 70% of our cash fund.

The clubhouse is in urgent need of refurbishment, in particular, painting, carpet and furniture upgrades. Golf and business systems require continual upgrading and 'point of sale' trading needs to be implemented.

Q3. What is the current value of KGC Assets?

In September 2021 a professional land valuation was undertaken.

Based on the use of the land for golf course purposes the combined property value, including buildings and other improvements was \$2,470,000.

The core property value would significantly increase if the land was rezoned for urban development or other commercial purposes.

The core property, having strategic significance, is considered highly sought development land. If a golf course was not required on the site and sale went to an open competitive market then a premium sale price would be expected. For example, the Morisset course site recently sold for \$25,000,000.

In addition to the core property is the 10 EGM licences (gaming machine entitlements), the value of which is determined by market availability.

Q4. What are the advantages and benefits of amalgamation?

The KGC venue would be part of a strong, amalgamated club with increased assets and revenue.

As part of a strong, well-structured and administered amalgamated club, the KGC venue and members will retain all of its activities and traditions.

The amalgamation will consolidate club facilities in Kurri Kurri and keep member facilities, jobs and community support here. If this amalgamation did not proceed, future amalgamations might involve clubs from outside of the region which may result in the loss of local facilities.

For KGC the benefits of amalgamation are:

- An improvement in the KGC venue with upgraded clubhouse and extended operating hours under an efficient administration.
- A timely commitment by the amalgamated club to undertake the key elements of the Course Plan.
- Members will belong to and enjoy all the amalgamated club venues and shared activities.
- Having multiple venues strengthens the buying and bargaining powers of the Amalgamated Club translating to higher profitability and improved member benefits.

Q5. What was the main criteria the KGC Board stipulated to assess an amalgamation partner?

KGC drafted a Terms Sheet (a non-legally binding document) to be distributed to prospective amalgamation partners that outlined the desired outcomes and the Conditions sought for a successful amalgamation and inclusion in a Memorandum of Understanding (MOU).

The Terms Sheet included conditions relating to:

- Retention of KGC staff and protection of their entitlements, and retention of Leigh Newman as the Club Pro.
- Restrictions on dealing in KGC Land in the form of Special Conditions.
- A commitment for the maintenance of an 18 hole golf course on KGC's land.
- A substantial commitment to the completion of agreed key elements in the Course Plan within the term of the MOU.
- Continuing affordable green and competition fees for Club members.
- A Commitment to a conceptual Business Plan and commence the Business Plan within 6 months after "Completion of the Amalgamation" (defined in clause 1.1(h) of the MOU).
- The formation of a Golf Committee and active sub-committees.
- Preserve the playing entitlements of KGC's existing members.

Q6. How long will it take to complete the amalgamation process?

It is anticipated that the completion of amalgamation will take around 6 to 12 months after the members vote and timing is dependent on the legal and legislative requirements.

The process is complex as KGC as a company will be dissolved. This means that:

- All licences and other agreements held by KGC need to be either transferred or cancelled and re-issued to the Amalgamated Club.
- The core property (Land) needs to be conveyed to the Amalgamated Club.

Q7. How did the KGC Board assess the amalgamation offers?

Being golfers, the Board adopted a scorecard system to assess the following key elements of the amalgamation proponents offers:

- Business Assessment – overall upfront cash benefit
- Club Operations
- Course Plan – overall member value offered
- Land and Asset Assessment
- Land Dealings
- Course Equipment
- Club Improvements
- Long Term Land Intent
- Administration and Governance Assessment
- Proponent CEO
- Proponent Board
- Commitment to Kurri Kurri Community
- Future Vision for KGC
- EGM Upgrades
- Operation Systems
- Proponent Operations
- Confidence in Proponent
- Special Conditions Assessment
- Staff Security and Entitlements
- Golf Security and Commitment
- Course Plan – Full Staged Commitment
- Club Improvements
- Golf Advisory Committee
- Members Fees, History and Entitlements
- Interim Business Plans
- Amalgamated Club Constitution Provisions
- Directorship Opportunities for KGC Members
- Long Term Land Intent

Each element was allocated a rank index that was then multiplied by a weight index to give an element total score. Element scores were then tallied to give an overall proponent ranking.

Q8. Who gets to decide if it goes ahead?

The decision is totally up to all the members of the Club that attend the special (extraordinary) general meeting of KGC. The amalgamation will proceed if the majority of those members vote in favour of it and provided that KKBC's members also approve of the amalgamation in a general meeting of KKBC, together with approval of amendments to KKBC's Constitution as referred to in clause 13.5 of the MOU. If those present at either general meeting reject the proposal then that is the end of this amalgamation process.

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The Board is of the opinion that, in selecting KKBC, it has used its best endeavours to secure the best possible outcome for KGC's members and the future of KGC.

If amalgamation is not supported on this occasion then there is no reason why amalgamation cannot be secured in the future if the KGC financial position deteriorates, however, it is likely that our bargaining strength will be a lot weaker and the Club's assets may have diminished in attempting to keep the business and golfing activities viable.

Q9. When will the members' vote be held?

Both clubs have signed off on the MOU and now need to vote on the amalgamation. The KGC vote will be determined first and then the KKBC vote will ensue. Members will have a 21 days' minimum lead period to assess the conditions of amalgamation (contained in the MOU and also included in the Registered Clubs Act 1976 and Registered Clubs Regulation 2015) prior to the general meeting.

Q10. Will I be able to vote if I can't attend the meeting?

No.

Voting can only be done by the Ordinary Members who attend the meeting. Proxy, postal and electronic votes are not legally permitted.

Q11. Was KKBC the only respondent to the KGC EOI request?

KGC sent out a proposal to 10 other clubs all within 200km and at the time having registered with ClubsNSW an interest seek an amalgamation partner.

Four clubs requested further KGC information and from there three expressions of interest (EOIs) were received. These three EOIs were from Kurri Kurri Bowling Club, Club Maitland City and ECBC Sports.

The remaining clubs either did not show interest or withdrew interest due to various reasons including:

- Restrictions on movement and acquisition of gaming machines.
- Cost of upgrades to Club facilities.
- Costs relating to Course improvement and machinery upgrades.

The decision was made by the KGC Board that the core business interests of KKBC and KGC were similarly aligned, ensuring sustainability of the Club for the growing Kurri Kurri Community will continue.

Under the guidance and support of KKBC it is intended to steer the KGC venue towards a profit for purpose business model where the Kurri Kurri Community will be the beneficiaries.

Q12. Why did KKBC respond to what motivates or makes it an attractive proposition for them?

KGC's Board was of the opinion that the Board and management of KKBC understood, from their own growth and success, the importance of community clubs in our community. KKBC does not want to see any of the assets, profits and benefits of KGC lost to our local community.

Under the guidance and management of KKBC, KGC will continue to become a vital asset to the community and be in a position to really support it and give back considerably, financially and otherwise.

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KKBC has played an important role in improving the lifestyle of its members and community and want to replicate the same success at KGC.

KKBC can see there is an opportunity to work closely with KGC to cater for the needs of the rapidly growing community by growing the KGC venue into a more community based club, by providing management and professional guidance to create efficiencies and shared services, working towards a successful and sustainable KGC venue, with the aim to support the local golf and the community with a profit for purpose approach.

The KKBC Board and management are committed to investing into the redevelopment of the KGC venue to provide not only a quality 18 hole golf course but an all-purpose facility which aims specifically to benefit our community and affiliate groups for future years.

KKBC will continue to provide the same environment and facilities KGC currently offers its members, along with enhanced facilities and a high level of customer services.

The Board and Management of both KGC and KKBC have been working closely to ensure that the amalgamation is totally in the best interest of both clubs' members and the overall community, and that KGC retains its identity as a local, district and regional sporting entity.

Q13. Why does KKBC want to amalgamate with KGC and what is the benefit to them in doing so?

KKBC is looking at the long term future opportunity for its business and the support that the community needs and expects.

In merging with KGC it provides the opportunity for its business to grow proportionately and maintain pace with the rapidly expanding Kurri Kurri community. It will ensure that the money spent at our club stays in the community. The result will be a club with substantially increased membership and overall higher profile business perception and presence.

KKBC recognises that residential development in the vicinity of the KGC venue is on the move with over 3000 residential dwellings being developed or planned and it won't stop there. The amalgamation of the two clubs is an ideal opportunity to strategically establish, under its control and administration a quality venue to support these additional community members that this growth will bring.

There are other benefits. KKBC has strong and competent administration with excellent teams of employees that can be integrated and utilised at the KGC venue. Efficient movement, use and rostering of staff between venues as well as the additional KGC venue consumables needs will strengthen the Amalgamated Club's buying and bargaining powers and lead to a more efficient use of both clubs' staff and competitive pricing for its members. This will facilitate a seamless transition to building the business with a venue not in opposition but complimentary to its current KKBC operations and an extension of current facilities, promotions and functions.

The golf course and its facilities are a great asset to the Kurri Kurri Community and its surrounding suburbs and should remain locally controlled. The chance of contributing to the future development and longevity of the Course and club house is seen as a decisive factor in the amalgamation of the clubs.

KKBC recognises the sustained efforts of the golf club in succeeding and pushing the sport of golf to where it is now and it is clear that golf alone and the volunteer efforts of its members is not enough to continue the longevity of all that is Kurri Golf Club. KKBC wants to see the KGC venue survive, be profitable and prosper in its future direction.

Q14. Why did KGC choose KKBC and why did its offer stand out from the other clubs?

KKBC ranked #1 on the amalgamation proponent scorecard. After assessing the amalgamation offers and ranking the proponent scorecards, the KGC Board decided, along with the need to secure the 90 year legacy of KGC, that a combined Kurri Kurri community club would be the best partnering outcome.

KKBC was the preferred choice because the KGC Board considered KKBC to be:

- Profitable, sustainable and well administered.
- A club that shows the most interest in promoting golf and the best interests of the current membership.
- A club with a cooperative, stable and well balanced team of Directors.
- A club that is prepared to give its best efforts to include in its constitution the current KGC charter, and focus on retention of the KGC core assets.
- A local club where current KGC members enjoy dual membership and retain an existing and immediate opportunity to compete for amalgamated club directorship.
- Well established in the local community with a track record of sustained support and commitment.
- A club that has indicated its intent to fully commit to the KGC Course Plan.
- A local club that is not considering a range of alternative diverse use of the KGC core property.
- A club with the best business strategy that can increase the number of EGMs to provide maximum initial profits.
- A club that has financial security and has demonstrated in recent annual reports an increase in profits and improvement in its own current assets.

Q15. What is actually proposed?

The amalgamation will see the formation of a single Amalgamated Club entity that will have two venues, Kurri Kurri Bowling Club and Kurri Golf Club, operating and servicing the Kurri Kurri community offering complementary benefits and activities.

As the parent club, KKBC will by law upon amalgamation acquire and own all the KGC assets. The Amalgamated Club will be managed by the KKBC Board and administration.

KKBC is committed to expend an estimated total capital outlay of approximately \$1.376 million in support of upgrades and improvements to the Club premises.

The Amalgamated Club intends to initially:

1. Commit to upgrading and refurbishing the Clubhouse. This will entail:
 - Furniture replacement.
 - Painting.
 - Carpet.
 - Changing the bar profile.
 - Opening up the general floor area of the Club.
 - EGM upgrades.
 - Improved entry to the Clubhouse.
 - Upgrade golf and management IT systems.

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2. Commit a minimum \$750k (which is included within the estimated \$1,376 million capital outlay) to upgrading the Course in accordance with the key elements of the Course Plan. It is intended that this capital outlay will be allocated over a 5 year period that will be within the term of the MOU. The Golf Committee will advise and liaise with the Amalgamated Club Board on the inclusions and priorities for these works. This will entail:
- Completion of irrigation upgrades and automatic watering.
 - Bunker refurbishment.
 - Cart path upgrades and construction.
 - Greens and tees upgrades and construction.
 - Commit to upgrading Course machinery as required when machinery life expires.

It is the intent and priority of KKBC to first establish a sound base to drive profitability upwards at the KGC venue and develop a Master Plan for the future.

Q16. What initial benefits will KKBC bring to KGC members?

On completion of amalgamation KKBC will immediately be looking to increase profitability by undertaking clubhouse refurbishment and upgrading gaming machines.

A KCG Conceptual Plan (clauses 5.6(g) and (h) of the MOU) will be implemented to drive the KGC venue towards profitability through the initial years of Amalgamated Club operations.

The Conceptual Plan will include all works and operational costs for the initial 5 year period of the Amalgamated Club.

During this period the Amalgamated Club will develop long term strategies and include these in a Master Plan.

The Conceptual Plan will also incorporate the key elements of the Course plan as proposed in the MOU.

Q17. Will the Amalgamated Club be able to deal in the Course land?

Yes.

The KGC Land is a 'major asset' (core property) to the Kurri Kurri Community and is essential to the KGC business in sustaining golf in our local area. As individual members of KGC we have no personal financial interest or gain in the land. We are considered caretakers of this valuable community asset and its 90 year golf legacy. As current members of KGC it is critical that we secure the longevity and sustainability of this legacy to the best of our ability and act reasonably in doing so.

The agreement with KKBC provides for conditional dealings in the land. It permits parts of the land to be subdivided and used for other purposes or possibly sold on the basis that it does not significantly reduce the current golf amenity (refer to clause 9.4 of the MOU). All profits from dealings in core property in the first 5 years after Completion of the Amalgamation will be retained for KGC premises improvements (refer to clause 7.3(c) of MOU).

In the event that there is an opportunity to rebuild or relocate the Course to adjoining or other suitable local land then this is provided for in clause 5.7 of the MOU. In this case any land dealings that relate to impacting the Course must be acceptable to a majority of the members of the Amalgamated Club with voting rights to do so.

It is of paramount importance that the existence of an 18 hole golf course and support facilities remain in our local area for as long the venue remains profitable and economically sustainable. This may necessitate dealings in the KGC land whether or not amalgamation proceeds.

Q18. Will there be an amalgamation of both Boards?

No.

All activities and operations of the Golf Club will be managed by the incumbent board of KKBC who will manage all the business of the Amalgamated Club. There will be a Golf Committee established under the provisions of the MOU (clause 5.9) and the Amalgamated Club Constitution. The Golf Committee will oversee and appoint the sub-committees necessary to control the golf activities. The golf sub-committees will initially be structured and function the same as at present.

During the term of the MOU:

- The Golf Committee will advise the Board of the Amalgamated Club on matters relating to golf and the Course.
- The Golf Committee will be elected by the Full Playing Members of the Amalgamated Club and the election will coincide with those of the Amalgamated Club or unless otherwise stipulated in its constitution.
- The Golf Committee will initially comprise 5 members of the incumbent KGC Board.
- Rules for governing election of the Golf Committee and functions of its operation and sub-committees are to be included in the Amalgamated Club's By-Laws.

Generally the Golf Committee will be responsible for:

- Forming and managing sub-committees in accordance with the Amalgamated Club By-Laws for Course, Mens and Ladies golf.
- Making recommendations to the Board on golf membership and golf and course related matters.
- Elect delegates or representatives for other golf administration organisations.
- Liaise with the Pro on competition needs such as timesheets and trophy allocation.
- Provide the Amalgamated Club with an annual golf program of events and golf competition budget.

Q19. What happens to the finances of the clubs?

All monies in the Clubs' cash funds that are retained at Completion of the Amalgamation will be controlled by the Amalgamated Club. KKBC has guaranteed that the KGC cash funds will be expended on the KGC venue.

Q20. What will the clubs be called?

At some stage in the future the Board of the Amalgamated Club may elect to re-brand the Club's overall business name. Even if this happens it is more than likely that KKBC and KGC will retain their current entity operational names.

Q21. Can I see the MOU as executed by both Boards?

Yes.

The final signed version of the MOU will be available for members' perusal as a hard copy in the Clubhouse and it will also be published on the KGC and KKBC websites.

Q22. Will KGC staff keep their jobs?

Yes.

KKBC has agreed to offer employment to KGC staff. Naturally as the business strategies evolve for the KGC venue staff and roster changes will need to be reviewed to satisfy the intended growth and profitability of the business.

Q23. What happens to my golf membership?

At Completion of the Amalgamation, KGC members will automatically be offered, in accordance with the laws governing amalgamation (refer to clauses 13.5(d) and (e) of the MOU), a membership of the Amalgamated Club in a category no less than that enjoyed under the KGC Constitution in relation to playing rights.

KGC members will have a choice of membership (refer to clause 13.5(g) of the MOU) depending on their individual requirements for voting and standing rights.

Q24. Will the clubs have a joint member card to access both clubs?

Yes.

As a member of the Amalgamated Club each member will enjoy all the privileges of both the KGC and KKBC with the one membership card, according to their class of membership.

Q25. Will the KKBC courtesy bus go to both clubs?

All members of the Amalgamated Club will enjoy pricing parity and access to both club facilities. This includes beverage pricing and access to the KKBC courtesy bus.

Initially the courtesy bus may not be available at the KGC premises until facility upgrades have taken place and venue patronage warrants its use.

Q26. What will happen to the club's gaming machines?

On completion of amalgamation all of the Club's 10 EGMs (gaming machine entitlements and gaming machines) will be owned by the Amalgamated Club. There is no legislative requirement to reduce gaming machine entitlements on amalgamation. It is the intent of the Amalgamated Club, and a provision of the MOU (clause 7.6), to retain all existing gaming machine entitlements at the KGC venue. The Amalgamated Club intends to upgrade existing EGMs and potentially increase EGM numbers at the KGC venue as required.

Q27. What happens to golf and how will amalgamation impact on current golf activities?

There will be no change to the way golf activities are currently undertaken at KGC. Amalgamation will have no impact on this and the Golf Committee and its sub-committees will continue to function under the Amalgamated Club along similar lines as at present.

Q28. Who will manage the Amalgamated Club?

The Amalgamated Club will be managed by the incumbent KKBC CEO Peter Fairbairn under the administration and guidance of the KKBC Board.

Q29. Who would be on the Board of the Amalgamated Club?

The initial Board of the Amalgamated Club will be the incumbent KKBC Board. Refer to clauses 13.5(h) and 13.5(i) of the MOU for eligibility requirements for election to the Board of the Amalgamated Club.

Q30. Where can I find out more?

The Club through the EOI process made available to all members the general information and procedures it used and adopted for attracting and assessing amalgamation partners.

Members must realise that in negotiating a favourable position with a prospective partner, there is certain information that needs to remain confidential and therefore cannot be disclosed.

There is a lot of general information and outcomes relating to registered club amalgamation that is available on the internet.

KGC will be arranging a members' night / information session, prior to the vote on whether to approve the amalgamation, whereby members can discuss any concerns or seek clarification on our amalgamation process and outcomes. KKBC representatives will also be invited to attend this session.

In the interim if there are any questions not covered in this Q&A document then please discuss this with a KGC Board member. Additional information may also be posted on the KGC and KKBC websites from time to time.

Q31. What future plans are outlined for KGC?

The Amalgamated Club will initially drive the club towards profitability.

During the term of the MOU a Conceptual Plan for the KGC premises (course and clubhouse) will be developed and implemented (clause 5.6(g)). At this stage KKBC has no master plan concepts available as they are dependent on the outcome of the amalgamation vote.

The Conceptual Plan will include concepts for clubhouse redevelopment and among other things golf course redesign and improvements as well as means of financing the intended outcomes.

The parties intend that a longer term Master Plan will be developed for the KGC premises.

Q32. Will my membership subscriptions and other golf fees increase?

Your annual golf membership subscriptions will not increase in the first year period of the MOU. For the first 5 years from Completion of the Amalgamation, increases in membership subscriptions will be limited to annual increases in the Consumer Price Index (CPI) or \$20 per year, whichever is greater (clause 5.11(b) of the MOU). After that it will be up to the Board of the Amalgamated Club to periodically set these fees.

Golf green and competition fees, as in the past, will continue to be reviewed as required. The Golf Committee will advise the Amalgamated Club Board on these matters. For the first 5 years from Completion of the Amalgamation, increases in green fees and competition fees will be limited to annual increases in the CPI (clause 5.11(c) of the MOU).

Q33. Will my current golf rewards held in the Pro Shop be retained?

Yes.

Your golf rewards and Pro Shop account are personal to you and Leigh Newman and therefore are not a consideration in the amalgamation process and will continue to be managed by the Pro Shop.

Q34. Who will administer golf activities?

Golf activities will be administered by the Golf Committee as provided for in the MOU (refer to clause 5.9).

In effect the administration of golf will not change from what it is now, subject to the MOU (clause 5.9(j)(v)). The Golf Committee will consist of Golf Members and be subject to periodical changes through a defined member election process.

Q35. Will I be able to continue to use my own motorised cart on the Course?

The current arrangements in regard to use on the Course of privately owned motorised golf carts will remain unchanged for the foreseeable future. Members should be aware though, as with most other clubs, that KGC has the right to charge a fee for such use and in the future, regardless of amalgamation, this will need to have serious consideration. There is no present indication that such a fee will be implemented.

Q36. What protections are in place to secure the longevity of our golf legacy?

While the current financials of the Club appear reasonable the business viability is considered vulnerable. This puts our golf legacy at risk. The amalgamation path is not without risk, however, the KGC Board feels that non-amalgamation is a far greater risk.

The Board considers that in selecting KKBC the potential to secure the longevity of our golf legacy is optimised and therefore translates to minimum risk.

The best protection we have is to secure a local partner with our community's best interest and embed the maximum possible protection into the MOU.

Q37. What happens if the Amalgamated Club becomes insolvent?

The Board agrees that, regardless of amalgamation, the present KGC trading situation is at far greater risk than that of an amalgamated club might experience. Having regard to this though, the Board has used its best endeavours to protect KGC and its members' interests by requesting the best reasonable protection be embedded into the MOU.

KKBC would itself have the chance to amalgamate both premises with another registered club, if the amalgamated club has solvency issues or purely for strategic reasons.

Q38. Will I still be able to do voluntary work on the Course?

Yes.

KGC has a long history of volunteer member contribution and support. This will continue post amalgamation.

The continuation of voluntary work on the Course is important. It not only helps to keep the Course in better condition but significantly reduces member's costs and this is reflected in the current value of the annual members' subscriptions and other fees.