



ABN 44 004 054 353

## NOTICE OF MEETING OF ORDINARY MEMBERS AND NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a Meeting of Ordinary Members of City Tattersall's Club will be held at **6pm on Friday, 31 July 2020 (First Meeting)**, followed by a Special General Meeting of City Tattersall's Club (**Second Meeting**) immediately after the First Meeting.

Both the First Meeting and the Second Meeting will be held in the Lower Bar, on the Ground level of City Tattersall's premises at 198 Pitt Street, Sydney with maximum attendance capacity numbers being subject to COVID-19 social distancing requirements and with unlimited participation online via Zoom Technology.

The business for the **First Meeting** is set out below in the 'Business of the Meeting of Ordinary Members' section.

### **FIRST MEETING**

Under the Registered Clubs Act, all Ordinary Members of the Club (which includes Life Members, Gold Members, Silver Members and **Social Members**) are entitled to attend and vote at the First Meeting.



The business for the **Second Meeting** is set out below in the 'Business of the Special General Meeting' section.

### **SECOND MEETING**

Under the Club Rules, all Voting Members (which includes Life Members, Gold Members and Silver Members only) are entitled to attend and vote at the Second Meeting.

None of the resolutions to be considered at the First Meeting or the Second Meeting may be amended in substance from the floor of each meeting.

Members who are employees of City Tattersall's are not entitled to vote upon the resolutions, and proxy voting is not permitted by the *Registered Clubs Act 1976 (NSW)*.

This notice is issued under a resolution of the Board.

Yours faithfully.

**MARCELO A. VELOZ**  
Chief Executive Officer

19 June 2020



## **BUSINESS OF THE MEETING OF ORDINARY MEMBERS – (First Meeting)**

The business of the Meeting of Ordinary Members will be:

For all ordinary members of the Club including Life, Gold, Silver and Social Members to consider and, if thought fit, pass the Resolution 1 as set out below to approve in principle the amalgamation of City Tattersall's Club ABN 44 004 054 353 with The Catholic Club Ltd ABN 35 000 982 436 (**TCCL**).

### **RESOLUTION 1 – APPROVAL OF PROPOSED AMALGAMATION**

***"That the members hereby:***

1. ***approve in principle the amalgamation of The Catholic' Club Ltd ABN 35 000 982 436 ("TCCL") with City Tattersall's Club ABN 44 004 054 353 ("City Tattersall's"), such an amalgamation to be effected by:***

- (a) *the continuation of City Tattersall's (as the amalgamated club) and the dissolution of TCCL, such dissolution being subject to the terms of the memorandum of understanding and deed of amalgamation signed by the parties on Tuesday 30 June 2020.*
- (b) *the transfer of TCCL's assets (as defined in the memorandum of understanding and deed of amalgamation signed by the parties) to the Chairman of City Tattersall's for and on behalf of City Tattersall's; and*
- (c) *the transfer of the club licence of TCCL to the Chairman of City Tattersall's for and on behalf of City Tattersall's (or to City Tattersall's, as may be accepted by the Independent Liquor and Gaming Authority),*

*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 TCCL to the Chairman of City Tattersall's for and on behalf of City Tattersall's (or to City Tattersall's, as may be accepted by the Independent Liquor and Gaming Authority) for the purposes of such an amalgamation."***

### **EXPLANATORY NOTE:**

#### **General**

- 1 The Meeting of Ordinary Members has been called to consider Resolution 1 to approve the proposed amalgamation of City Tattersall's with TCCL.
- 2 Under section 17AEB(d) of the Registered Clubs Act, all Ordinary Members (including Life, Gold, Silver and Social Members) of City Tattersall's are entitled to vote on Resolution 1.



- 3 The amalgamation of 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**).
- 4 On 17 December 2019, City Tattersall's called for expressions of interests from other registered clubs interested in an amalgamation. TCCL submitted an expression of interest outlining the terms on which it is prepared to amalgamate with City Tattersall's. The Boards of each club have resolved to put the proposed amalgamation to the members of their respective clubs.
- 5 The terms of the proposed amalgamation are set out in a Memorandum of Understanding (**MOU**) and Deed of Amalgamation (**Deed**) which have been entered into between City Tattersall's and TCCL. The MOU largely deals with matters required to be addressed by the Registered Clubs Act and *Registered Clubs Regulation 2015* (NSW). The Deed largely deals with commercial and other matters connected to the amalgamation, which do not need to be included in the MOU.
- 6 The Board of City Tattersall's have agreed to amalgamate City Tattersall's with TCCL, subject to a number of conditions, being:
  - (a) satisfactory completion of due diligence investigations by each party;
  - (b) approval by the members of each club; and
  - (c) approval of the Independent Liquor and Gaming Authority (**Authority**);
  - (d) transfer of TCCL's assets (as defined in the MOU and Deed) on amalgamation completion free of any encumbrances; and
  - (e) assignment/transfer of TCCL's lease of its premises at 197-199 Castlereagh Street, Sydney to City Tattersall's or grant of a new lease in favour of City Tattersall's, on terms acceptable to City Tattersall's.
- 7 Both City Tattersall's and TCCL 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(s) of one club is transferred to the other club, under section 60 of the Liquor Act.
- 8 The transfer of the club licences of TCCL to City Tattersall's is subject to approval by the 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).
- 9 This means that Resolution 1 of this Meeting of Ordinary Members (and Resolution 1 of the following Extraordinary General Meeting set out below) must be passed before application can be made to the Authority for transfer of TCCL's club licence and for the Authority will approve the transfer of the club licence of TCCL to City Tattersall's for the amalgamation to proceed.



- 10 However, because Resolution 1 of the following Extraordinary General Meeting proposes changes to the City Tattersall's Rules, the resolution will need to be confirmed at further general meeting of City Tattersall's members under section 5 of the *City Tattersall's Club Act 1912 (NSW)* and clause 23.3 of the City Tattersall's Rules before the amalgamation can proceed.
- 11 If Resolution 1 of this Meeting of Ordinary Members and Resolution 1 of the following Extraordinary General Meeting are approved by eligible voting members, the members will be authorising the making of the application to the Authority for approval of the amalgamation and for other steps to be undertaken to complete the amalgamation.
- 12 An extraordinary general meeting of members of TCCL will also be held. At that extraordinary general meeting, members of TCCL will be asked to consider and approve a resolution similar to Resolution 1 of this Meeting of Ordinary Members, as well as additional resolutions explained below in order to proceed with the amalgamation.
- 13 If the amalgamation is approved by both clubs and the Authority and all other conditions for completion of the amalgamation are satisfied, City Tattersall's will continue as the amalgamated club (**Amalgamated Club**) and TCCL will cease to be a registered club, provided there is no subsequent de-amalgamation referred to in the MOU, TCCL will eventually be dissolved.

#### **TERMS OF THE MEMORANDUM OF UNDERSTANDING AND DEED OF AMALGAMATION**

- 14 A copy of the MOU and Deed are on display on the City Tattersall's notice board and copies may be obtained from the City Tattersall's Customer Service Desk upon request. Copies are also available on the Corporate section of the City Tattersall's website.
- 15 The Board of City Tattersall's recommends to members that they carefully read the MOU and Deed before attending the Meeting of Ordinary Members.
- 16 Below is a summary of some key issues covered by the MOU and the Deed.
  - (a) City Tattersalls will be the parent Club,
  - (b) A new class of membership will need to be approved by the members of City Tattersalls,
  - (c) Life Members of TCCL will become Life Members of City Tattersalls,
  - (d) Honour Boards and the traditional Annual Mass of TCCL will be preserved by City Tattersalls,
  - (e) The two (2) Squash Courts currently available at TCCL will be maintained for at least 5 years to ensure the continuation of the game,
  - (f) TCCL members will have the opportunity to join City Tattersalls,



- (g) The CEO of City Tattersalls will be the CEO of the group,
- (h) City Tattersalls will communicate to TCCL the names of its staff that will be offered employment and the names of its staff who will not be offered employment. All rightful employee entitlements will be paid to staff by either TCCL or the amalgamated Club,
- (i) Both Clubs will contribute to an operating fund for the TCCL premises,
- (j) The amalgamated Club (City Tattersalls) will take over the lease of TCCL premises,
- (k) Income derived from the existing lease and licence agreement place with the World's Gym and the Contract Caterer at TCCL will become payable to and collected by the amalgamated Club.
- (l) TCCL will pay all its debts prior to amalgamation,
- (m) All other assets of TCCL will be transferred to the amalgamated Club – however, TCCL will retain a sum of approximately \$9M (the TCCL Retained Funds) until the expiry of 5 years after the date of amalgamation (unless there is a de-amalgamation as referred to in the MOU)
- (n) 3 Directors of TCCL will sit on the Board of City Tattersalls,
- (o) City Tattersalls will make room for those directors by seeking members approval to amend the Club Rules,
- (p) The current seven (7) Directors of TCCL will continue to manage the TCCL Retained Funds, either as part of TCCL or as a committee with the amalgamated Club (TCCL Investment Committee), whichever is approved by the Independent Liquor and Gaming Authority,
- (q) The Board of City Tattersalls will contribute to the creation of the investment principles under which TCCL or the TCCL Investment Committee will invest the funds,
- (r) TCCL or the TCCL Investment Committee will be able to incur expenses including honorariums and all-inclusive remuneration payable to staff up to a maximum cap of \$250,000 per annum before having to seek the approval from the Board of City Tattersalls for any other expenses.
- (s) On amalgamation completion, there will be a period of 5 years where a possible de-amalgamation could be applied for, subject to the members of both Clubs approving an application for de-amalgamation.
- (t) After the period of 5 years or earlier if agreed by the parties, the TCCL Retained Funds will automatically be transferred to City Tattersalls Club and the TCCL vehicle will be dissolved.



## REASONS FOR AMALGAMATION

17 The reasons for the proposed amalgamation are:

- (a) Both Clubs have been part of the City of Sydney for over 100 years and the strategic alliance between the two clubs will ensure a more efficient Club business that can preserve the members' facilities for many years more.
- (b) The larger administrative capabilities and capacity of City Tattersalls can provide a more cost effective shared services model resulting in a more effective model.
- (c) The amalgamation will provide members of both Clubs with access to great facilities that in time can be quite distinct from one-another yet complimentary of the facilities a member can expect from a larger combined organisation.
- (d) Members of the amalgamated Club will have an alternate Club house to move to during the construction period of the new hotel and residential tower and the refurbishment of the Club. This will save City Tattersalls approximately \$7.5M that the Club would have otherwise spent on essential services and creating the temporary facilities for members, which will in time become redundant.
- (e) City Tattersalls will not be required to pursue Development Approval from the City of Sydney Council for the Interim Club. Under the Development Management Agreement, the Club is responsible for preparing, submitting and obtaining the interim Club Development Approval, which will not only cost time and money, but there is no guarantee that the City of Sydney Council will approve an interim Club to operate inside a live multi-level development like ours. Any delays in the realisation of the development arising from the Club not meeting milestones, such as the Interim Club ready date, will result in liquidated damages in favour of the developer.
- (f) City Tattersalls will not be required to spend time and money in searching for a temporary location in the City that will require:
  - (i) Agent's commission
  - (ii) Fit-out costs to establish the Club and later de-fitout costs after 5 years when the Club moved back to its Pitt Street Premise.
  - (iii) An application to the Office of Liquor and Gaming NSW for a transfer of liquor license to the proposed temporary premises and then an application back to the Pitt street Site when the Club moves back. This transfer applications can be tricky and will require the support of Local Police and the Council.
  - (iv) Significant relocation costs



## **COMMERCIAL BENEFITS**

- 18 Commercially the mutual benefits for both organisations are:
- (a) Both Clubs have committed to bring significant cash resources into the Amalgamated Entity as noted in the MOU. CTC will contribute \$4M in cash and a further \$2.5M in kind, whilst the TCCL will contribute \$4M in cash and Circa \$1.42M in cash to cover the Bank Guarantee required by the landlord for the Club to occupy the property.
  - (b) Both organisations will receive the benefit of investing the Retained Funds which is circa \$9M, for the next 5 years.
- 19 **The Board recommends Resolution 1 of this Meeting of Ordinary Members for approval.**



## **BUSINESS OF THE SPECIAL GENERAL MEETING (Second Meeting)**

The business of the Special General Meeting will be:

- A. Subject to Resolution 1 of the Meeting of Ordinary Members being passed - for all eligible Voting Members of the Club, these being Life, Gold and Silver members to consider and, if thought fit, pass Resolution 1 of this meeting, as set out below, to amend the Club Rules.
- B. Subject to Resolution 1 of this Extraordinary General Meeting being passed - for all eligible Voting Members of the Club, these being Life, Gold and Silver members to consider and, if thought fit, pass Resolution 2, as set out below, to ratify the appointment to Life Membership of City Tattersall's all the Life Members of TCCL who submit an application for membership.
- C. For all eligible Voting Members of the Club, these being Life, Gold and Silver members to consider and, if thought fit, pass Resolution 3, as set out below, to allow the Club to sell its interest in the hotel to be constructed during the airspace development project if the Board of the Club considers it necessary.
- D. For all eligible Voting Members of the Club, to confirm or reject the resolution which was previously passed by the members at the Annual General Meeting held on 26 May 2020, to change the Club Rules.

### **RESOLUTION 1 – CHANGES TO THE CLUB RULES**

To be considered only if Resolution 1 of the Meeting of Ordinary Members is passed:

*That on the date on which the Independent Liquor and Gaming Authority transfers the club licence of The Catholic Club Ltd to the Chairman of City Tattersall's Club for and on behalf of City Tattersall's Club the Rules of City Tattersall's Club be amended by:*

- (a) **inserting** the following definitions in clause 3.1 in alphabetical order:

**“TCCL** means The Catholic Club Ltd ABN 35 000 982 436 trading as The Castlereagh Club.

**TCCL Amalgamation** means the amalgamation between the Club and TCCL as specified in the Amalgamation Documents.

**TCCL Amalgamation Date** means the date on which the Independent Liquor and Gaming Authority transfers the club licence of TCCL to the Club (or to the Chairman of the Club to be held for and on behalf of the Club).

**TCCL Amalgamation Documents** means the Memorandum of Understanding and Deed of Amalgamation between the Club and TCCL which sets out the agreement to amalgamate TCCL and the Club.

**TCCL De-Amalgamation** means any possible de-amalgamation between the Club and TCCL as specified in the Amalgamation Documents.

**TCCL Retained Funds** has the meaning given to it in the TCCL Amalgamation Documents.”



(b) **amending** the definition of Act by adding the following words at the end of the definition: “ ... and its associated regulations”

(c) **amending** clause 5.2 to read as follows (strikeout means deleted, underlined means added):

“5.2 The Board comprises up to nine members, namely the Chair, the Vice-Chair, and up to seven other Directors. Up to seven members of the Board are to be elected and two members of the Board may be appointed by the Board under the Act or these Rules.”

(d) **amending** clause 5.4 to read as follows (strikeout means deleted, underlined means added):

“5.4 Subject to any appointment of a Director by the Board under the Act or these Rules. All up to seven Directors must be elected to their office as a director by the Voting Members as provided in these Rules. Each Director will serve a term of approximately three years commencing from the meeting at which the Director was elected, but, subject to clause 6.2, will be eligible to offer himself or herself for re-election at the end of each three year term.”

(e) **inserting** the following new clause 5.6 after clause 5.5:

“5.6 Up to the fifth (5th) anniversary after the TCCL Amalgamation Date but subject to an earlier De-amalgamation, at least three (3) members on the Board of the Club must be former members of TCCL as at the date of the Amalgamation Documents.

5.7 The Board must not appoint any eligible Member to the Board under clause 31 of the Regulation before the TCCL Amalgamation Date.”

(f) **inserting** into clause 6.16 the words “provided that this restriction only applies in respect of the Board filling casual vacancies under this clause and it does not apply in respect of any appointments to be made by the Board under the Act” after the words “However a Board must not appoint more than two eligible members to the Board before the next Annual General Meeting.”

(g) **inserting** the following new clause 6.18 after 6.17:

“6.18 Despite any other clause of these Rules, provided that:

- (a) TCCL has notified the Club in writing, before the TCCL Amalgamation Date, of the names of up to three directors of TCCL who wish to be directors of the Club;
- (b) each director named in the notice referred to in paragraph (a), has become a member of the Club as and from the TCCL Amalgamation Date; and
- (c) TCCL has provided the Club with a consent to act signed by each director named in the notice referred to in paragraph (a), such consent being in the form required by the Board,

the Board must procure the following on or before the TCCL Amalgamation Date:



- (d) *the Directors must select from among themselves up to three members of the Board who will resign as a Director of the Club, to make room for the directors of TCCL named in the notice referred to in paragraph (a). If the Directors cannot select from among themselves up to three members of the Board who will resign as Directors of the Club and there are insufficient resignations to make room for the directors of TCCL named in the notice referred to in paragraph (a), then:*
- (i) *the Board may by resolution or resolutions carried by a simple majority of those voting, resolve up to the required number of identified members of the Board who will cease to be Directors of the Club; and*
  - (ii) *such resolution or resolutions shall be effective to remove those identified members of the Board from office as Directors and such resolution or resolutions shall be final;*
- (e) *in respect of the vacancies created by the resignation of three Directors under paragraph (c), the Board will, on the TCCL Amalgamation Date, appoint:*
- (i) *one of the directors of TCCL named in the notice referred to in paragraph (a) will be appointed by the Board to fill a vacancy as a casual vacancy. The director appointed will hold office until the next succeeding Annual General Meeting and will be eligible to be elected into that office in accordance with paragraph 5(1) of the triennial rule; and*
  - (ii) *two of the directors of TCCL named in the notice referred to in paragraph (a) will be appointed by the Board under regulation 31 of the Registered Clubs Regulation 2015 and will hold office until the election in 2023,*
- with the intent that for up to 5 years after the TCCL Amalgamation Date:*
- (iii) *there will be a total of 9 directors on the Board; and*
  - (iv) *at least 3 of the 9 directors will be former directors of TCCL.*
- This clause 6.18 ceases to apply on the earlier of the fifth (5th) anniversary after the TCCL Amalgamation Date Completion and any De-amalgamation with TCCL.”*

(h) **inserting** the following new clause 17.3:

*“17.3 Notwithstanding anything else contained in these Rules, the Board must ensure that the Club complies with all of its promises, warranties and obligations under the Amalgamation Documents”.*

(i) **inserting** the following new clause 33.2 after 33.1:

*“33.2 Those members who were financial full members of TCCL and whose names were entered in the Register of Members of TCCL on the date on which the Independent Liquor and Gaming Authority transfers the club*



*licence of TCCL to the Club (or to the Chairman of the Club to be held for and on behalf of the Club) shall, for the purposes of section 17AC(2) of the Registered Clubs Act, be identified in the Club's Register of Members as Catholic Club Members."*

- (j) **renumbering** clause 37.1(b) to be 37.1(c) and inserting the following new clause 37.1(b):

*"(b) he or she is a life member of TCCL on the day immediately before the TCCL Amalgamation Date and submits an application to be a member of the Club; or"*

- (k) **inserting** the following new clause 40.15:

*"40.15 Clauses 40.1 to 40.14 shall not apply in respect of the election of TCCL's members to membership of the Club and TCCL's members will be elected to membership of the Club in accordance with the procedure set out in the Amalgamation Documents and the requirements of the Act."*

- (l) **inserting** the following new clause 58 after clause 57, but only if the Independent Liquor and Gaming Authority does not permit the TCCL Retained Funds being held by TCCL but instead requires the TCCL Retained Funds to be transferred to the Club on the TCCL Amalgamation Date:

**"58. TCCL Retained Funds**

*58.1 This clause 58 shall only apply from the TCCL Amalgamation Date if the TCCL Retained Funds is transferred to the Club by TCCL on or about the TCCL Amalgamation Date in accordance with the TCCL Amalgamation Documents.*

*58.2 The TCCL Retained Funds will not form part of the usual cash reserves of the Club.*

*58.3 On the TCCL Amalgamation Date, the members hereby agree that a committee, comprised of the seven (7) individuals who are the Directors of TCCL immediately before the TCCL Amalgamation Date (**TCCL Investment Committee**) will be automatically established by the inclusion of this clause 58 and clause 13 of these Rules will not apply to the TCCL Investment Committee. The TCCL Investment Committee will have the power to manage and invest the TCCL Retained Funds, is solely responsible for the retention, management and investment of the TCCL Retained Funds and must comply with this clause 58. A minute of all proceedings and decisions of the TCCL Investment Committee shall be made, entered and signed in the same manner in all respects as minutes of proceedings of the Board are required by these Rules to be made entered and signed, and a copy of the minute must be presented at the next meeting of the Board after the meeting of the TCCL Investment Committee takes place.*

*58.4 A person will cease to be a member of the TCCL Investment Committee immediately if he or she ceases to be a member of the Club.*



- 58.5 *If any vacancy occurs on the TCCL Investment Committee or (for example, because a member of the TCCL Investment Committee ceases to be a member of the Club, or dies or becomes unable or unwilling to perform their duties as a member of the TCCL Investment Committee, or resigns), the TCCL Investment Committee may appoint by way of replacement, one or more members of the Club who were a former member of TCCL as at the TCCL Amalgamation Date to fill that vacancy. This is subject to the requirement that the number of members of the committee shall not be less than four (4) at any time.*
- 58.6 *The proposed honorarium for the members of the TCCL Advisory Committee shall be determined by the Advisory Committee in its absolute discretion provided that the total combined amount of the honorariums payable to members of the Committee shall not exceed fifty thousand dollars (\$50,000.00) unless approved by the Board. Any member of the TCCL Investment Committee who is also a member of the Board, will not be entitled to receive an honorarium in their capacity as a member of the Board for the period they receive an honorarium as a member of the TCCL Investment Committee.*
- 58.7 *The TCCL Investment Committee shall use its best endeavours to increase the value of the TCCL Retained Funds to at least a level equivalent to the increase in the Consumer Price Index (Sydney – All Groups) plus 1.0% to 3% per annum, net of costs, in each financial year and, subject to clause 58.9, the TCCL Investment Committee must not commit, spend, dispose, mortgage or charge any of the TCCL Retained Funds.*
- 58.8 *The TCCL Investment Committee must seek to maximise the return earned on the TCCL Retained Funds over the medium term (ie at least 5 years), consistent with international best practice for institutional investment.*
- 58.9 *In constructing an investment portfolio, the TCCL Investment Committee must determine a return profile that is predominantly comprised of income and distributions that will enable the value of the TCCL Retained Funds to increase in the manner specified in clause 58.7 and must have regard to the following:*
- (a) *The TCCL Retained Funds may be invested in the following assets classes:*
    - (i) *an at call or term deposit account (with a term ending no more than 5 years after the date of this deed) with an authorised deposit-taking institution in Australia;*
    - (ii) *Australian government bonds, corporate bonds with a S&P credit rating of at least AA and maturity date falling on or before the fifth anniversary of the Amalgamation, or asset-backed securities with a S&P credit rating of at least AA;*
    - (iii) *shares in any ASX 100 company (any share portfolio*



*to be diversified);*

- (iv) amalgamation opportunities presented by the Board; and*
  - (v) any other asset class approved in writing by the Board.*
- (b) For the purposes of clause 58.9(a)(iv), the TCCL Investment Committee:*
- (i) may provide funding to the Club for amalgamation opportunities but it is not legally obliged to do so; and*
  - (ii) cannot provide funding to the Club for amalgamation opportunities unless prior approval has been obtained from Catholic Club members in general meeting (ordinary resolution only).*
- (c) The investments may be direct or indirect, provided that any indirect investment is in a fund which has been operational for at least five (5) years and holds all licenses required at law;*
- (d) The TCCL Investment Committee must not make any direct investment in real estate, derivatives or structured products, without the prior written approval of the Board; and*
- (e) The TCCL Investment Committee must use reasonable endeavours to ensure the investment of the TCCL Retained Funds is diversified.*
- (f) Unless prior written approval has been obtained from the Board, the TCCL Investment Committee must not:*
- (i) spend more than two hundred and fifty thousand dollars (\$250,000.00) per annum (including the honorariums payable under clause 58.6); and*
  - (ii) borrow funds, grant liens, debentures, securities, security interests and mortgages.*
- (g) In addition to the investment of the TCCL Retained Funds, the TCCL Investment Committee can use the TCCL Retained Funds for the expenses specified in the Amalgamation Documents.*

**58.10** *The Board shall not be involved in the day-to-day management and investment of the TCCL Retained Funds. However:*

- (a) the Board may conduct an investigation into the affairs of the TCCL Advisory Committee if it reasonably believes that there has been or will be a serious material breach of this clause 58 by the TCCL Investment Committee or there has been or will*



*be a fraud, misappropriation of funds, or negligent act or omission by any member of the TCCL Investment Committee; and*

- (b) If an actual serious material breach of this clause 58 by the TCCL Investment Committee or an actual instance of fraud, misappropriation of funds, or an actual negligent act or omission by any member of the TCCL Investment Committee has occurred, the Board may take such action as it deems necessary provided that the Board cannot assume responsibility for the management and investment of the TCCL Retained Funds.*
- (c) If the Board resolves to remove one or more members of the TCCL Advisory Committee pursuant to its powers under sub paragraph (b), the Board or the remaining committee members as the case may be shall appoint former members of TCCL as at the TCCL Amalgamation Date to fill those vacancies.*

*58.11 The TCCL Investment Committee must prepare regular financial reports and report to the Board in such manner and at such times as determined by the Board acting reasonably.*

*58.12 If there is a De-amalgamation which is completed pursuant to the requirements of the Registered Clubs Act following either:*

- (a) a request made by TCCL's Board for de-amalgamation to the Board after the expiry of 4 years but before the expiry of 5 years after the TCCL Amalgamation Date; or*
- (b) a decision by the Board to offer to de-amalgamate with TCCL at any time before expiry of 5 years after the TCCL Amalgamation Date,*

*the TCCL Retained Funds will be transferred by the Club to TCCL (or the new company formed as part of the corporate vehicle for the purposes of the de-amalgamation which is to be known as TCCL No. 2). This clause 58 shall cease to apply and be automatically repealed after the TCCL Retained Funds are transferred to TCCL (or TCCL No. 2) as part of the TCCL De-amalgamation.*

*58.13 In the event of there being no De-amalgamation, the TCCL Retained Funds may be used by the Club for its own purposes and this clause 58 will cease to apply and will be automatically repealed.*

*58.14 This clause 58 shall also not apply and will be automatically repealed if the TCCL Retained Funds are not transferred to the Club in accordance with the TCCL Amalgamation Documents.*

*58.15 Other than automatic repeal of this clause under clauses 58.12 to 58.14 inclusive and despite any other clause of these Rules, this clause 58 or any other clauses in these Rules passed at the same*



*general meeting as clause 58 (the protected rules) may not be amended if such amendments will be inconsistent with the TCCL Amalgamation Documents as determined by the TCCL Investment Committee. Despite any other clause in these Rules, any resolution to amend this clause 58 and any of the other protected rules will also be subject to the following:*

- (a) a resolution has been passed by Voting Members by a majority of not less than 75% present and voting at a general meeting called under clauses 23.1 and 23.2 (as modified by this clause 58.15); and*
- (b) a separate resolution has been passed by Catholic Club Members referred to in clause 33.2 (who are members of the Club) by a majority of not less than 75% of present and voting at a general meeting called under clauses 23.1 and 23.2 (as modified by this clause 58.15); and*
- (c) the requirements of clauses 23 and 24 are otherwise met (as modified by this clause 58.15), including the requirement for a second general meeting of Voting Members under clause 23.3 to confirm or reject any change or repeal.*

*58.16 If the Club wishes to replace these rules with new rules before the automatic repeal of this rule 58, it must include rules in the new rules which are identical to (or give the same effect to) this clause 58 and the protected rules, and the new rules must be approved by the TCCL Investment Committee in writing before they can be adopted.*

- (m) **inserting** the following new clause 58 after clause 57, but only if the Independent Liquor and Gaming Authority permits the TCCL Retained Funds to be held by TCCL on and after the TCCL Amalgamation Date:*

**“58. Protected Rules**

*58.1 Notwithstanding anything contained in these Rules, this clause 58 or any other clauses in these Rules passed at the same general meeting as clause 58 (**the protected rules**) may not be amended if such amendments will be inconsistent with the TCCL Amalgamation Documents as determined by TCCL. Despite any other clause in these Rules, any resolution to amend this clause 58 and any of the other protected rules will also be subject to the following:*

- (a) a resolution has been passed by Voting Members by a majority of not less than 75% present and voting at a general meeting called under clauses 23.1 and 23.2 (as modified by this clause 58.1); and*
- (b) a separate resolution has been passed by Catholic Club Members referred to in clause 33.2 (who are members of the Club) by a majority of not less than 75% of present and voting at a general meeting called under clauses 23.1 and 23.2 (as*



*modified by this clause 58.1); and*

- (c) *the requirements of clauses 23 and 24 are otherwise met (as modified by this clause 58.11), including the requirement for a second general meeting of Voting Members under clause 23.3 to confirm or reject any change or repeal.*

#### **EXPLANATORY NOTE:**

1. Resolution 1 of this Extraordinary General Meeting will only be considered if Resolution 1 of the Meeting of Ordinary Members is passed.
2. Resolution 1 of this Extraordinary General Meeting must be passed by a simple majority (i.e. 50%) of the Voting Members who cast a vote. However, a further general meeting will be called to confirm Resolution 1 in accordance with section 5 of the *City Tattersall's Club Act 1912 (NSW)* and clause 23.3 of the City Tattersall's Rules.
3. If Resolution 1 of this Extraordinary General Meeting is passed, then in addition to the changes to the Club Rules noted in paragraph 6 below, TCCL members who become members of the Amalgamated Club will be identified as "Catholic Club Members". This is in accordance with the requirements of the Registered Clubs Act.
4. Catholic Club Members will not be a separate ordinary class of membership of the Amalgamated Club but will be a closed class for identification purposes only, in accordance with the Registered Clubs Act. TCCL members who become members of the Amalgamated Club will be admitted to the relevant ordinary class of membership and subject to the membership requirements contained in the City Tattersall's Club Rules.
5. This resolution will need to be passed to meet the requirements of section 17AC(2) of the Registered Clubs Act and for the Authority to approve the transfer of TCCL's club licence to City Tattersall's.
6. Further, if this resolution is passed, then various changes to the Club Rules will be made to reflect the arrangements that have been agreed between the Club and TCCL, including:
  - (a) The changes to clauses 5.2 and 5.4 are needed to allow for a Board of nine (9) directors, with up to seven (7) directors being elected by the members and two (2) directors to be appointed by the Board. This will allow the Board to appoint two TCCL members to the Board as required under the MOU and Deed.
  - (b) New clause 5.6 confirms that after five (5) years there will be no requirement as to how many former members of TCCL must be on the Board.
  - (c) New clause 5.7 ensures that the Board does not make an appointment to the Board between now and the TCCL Amalgamation Date.



- (d) The change to clause 6.16 is needed to ensure that the Board can make the appointment of directors as contemplated in new clause 6.18 and as permitted under the Registered Clubs Act.
- (e) New clause 6.18 sets out the mechanism for the election and appointment of former members of TCCL to the Board.
- (f) New clause 17.3 gives the former TCCL members a right to enforce the Amalgamation Documents (which are contracts between the Club and TCCL) after TCCL is wound up.
- (g) New clause 33.2 is required to meet the requirements of section 17AC(2) of the Registered Clubs Act.
- (h) New clause 37.1(b) is required to enable the Life Members of TCCL to automatically become Life Members of the Club, subject to them submitting an application for membership.
- (i) New clause 40.15 allows the TCCL members to become members of the Club by following the process set out in the Amalgamation Documents rather than having to follow all the procedures for membership in the Club Rules. This will help streamline the process and reduce the administration involved.
- (j) There are two possible new clause 58s. The first new rule 58 will only apply if the Independent Liquor and Gaming Authority requires the Retained Funds to be transfer to the Club on the TCCL Amalgamation Date. It sets out the mandate for the investment of the Retained Funds by the TCCL Investment Committee, which will be comprised of the former Directors of TCCL. It also says that the new clause 58 and any other new rules passed at this meeting (ie the protected rules) cannot be amended without approval of the former TCCL members. The second new rule 58 will only apply if the Independent Liquor and Gaming Authority requires the Retained Funds to retained by TCCL, in which case the clause only deals with the protected rules.

**7. The Board recommends this Resolution 1 of this Extraordinary General Meeting for approval.**



## **RESOLUTION 2 – APPROVING LIFE MEMBERS**

To be considered only if Resolution 1 of the Extraordinary General Meeting is passed:

*That the members hereby ratify, with effect on date on which the Independent Liquor and Gaming Authority transfers the club licence of The Catholic Club Ltd to Chairman of City Tattersall's Club for and on behalf of City Tattersall's Club (**TCCL Amalgamation Date**), the appointment of each person who was a life member of The Catholic Club Ltd immediately before TCCL Amalgamation Date and who has provided to the Club a completed membership form as a Life Member of the Club, and approve for the Club to present these members with their Life Membership and a gift, at a catered event.*

### **EXPLANATORY NOTE:**

1. Resolution 2 will only be considered if Resolution 1 of this Extraordinary General Meeting is passed.
2. Resolution 2 of this Extraordinary General Meeting must be passed a majority of two-thirds of the Voting Members who cast a vote.
3. If Resolution 2 of this Extraordinary General Meeting is passed, all Life Members of TCCL will automatically become Life Members of City Tattersall's. This is required under the MOU and Deed.
4. There are currently 313 Life Members of TCCL.
5. **The Board recommends Resolution 2 of this Extraordinary General Meeting for approval.**



### **RESOLUTION 3 – SALE OF HOTEL INTEREST**

*In addition to the consents and approvals already given by the members on 8 December 2015, the members give CONSENT to the Board in the name of the Chairman, on behalf of and for the purposes of the Club, to:*

- (a) sell, or otherwise dispose of, up to 100% of the Club's interest in the hotel to be developed as part of the airspace development project, if considered necessary by the Board and by any means considered appropriate by the Board, and subject to the requirements of the Registered Clubs Act 1976 (NSW); and*
- (b) to use, invest, spend or otherwise deal with, the proceeds of such sale in pursuit of the objects of the Club and in exercise of any of the Board's powers under the Club Rules, as the Board considers appropriate.*

#### **EXPLANATORY NOTE:**

1. Resolution 3 of this Extraordinary General Meeting will be considered regardless of the outcome of any of the other resolutions considered at the Meeting of Ordinary Members or this Extraordinary General Meeting.
2. Resolution 3 of this Extraordinary General Meeting must be passed by a simple majority (i.e. 50%) of the Voting Members who cast a vote
3. On 8 December 2015, the members gave consent to the Board to raise funds to borrow and/or raise funds through the Club's interest in the hotel by any means, which in the Board's opinion are necessary or desirable in connection with the airspace development project.
4. Under the Development Management Agreement, entered in December 2015, the developer is only required to pay the Club a total of \$100 million in cash or in kind. Since 2015, the cost of completing property developments like the airspace development project have increased significantly. While the Club is seeking to manage the overall costs incurred by the Club, it is likely that the overall cost of the project may increase.
5. Given recent world events, including the COVID-19 pandemic, the Board recognises the need for the Club to have more flexibility in the management of its assets to ensure that the Club is in the best position to deliver the project to a standard that the members expect and to keep its debt within manageable limits. The Board is seeking, by this resolution, the flexibility and approval of the members to sell part or all of the Club's interest in the hotel to ensure that the Club can achieve this.
- 6. The Board recommends Resolution 3 of this Extraordinary General Meeting for approval.**



## RESOLUTION 4 – CONFIRMATORY RESOLUTION TO CHANGE CLUB RULES

To confirm or reject the following resolution which was previously passed by the members at the Annual General Meeting held on 23 May 2020:

### RESOLUTION 5 – Rule Changes

That the members hereby approve the following changes to the Club Rules:

- (a) Amend the definition of Board in clause 3.1 to read (strikeout means deleted, underlined means added):

**Board** means the committee established from time to time in accordance with ~~clause 5.4~~ clauses 5 and 6 (previously known, and referred to in the CTC Act, as the Committee)

- (b) Amend the definition of Chair in clause 3.1 to read (strikeout means deleted, underlined means added):

**Chair** means the person elected to that office (previously known as chairman) pursuant to these rules ~~clause 5.4~~

- (c) Insert a new definition for 'Junior Member' in clause 3.1 in alphabetical order as follows:

**Junior Member** means a person elected by the Board or deemed in accordance with these Rules to be a Junior Member of the Club.

- (d) Insert a new definition for 'Liquor Act' in clause 3.1 in alphabetical order as follows:

**Liquor Act** means the Liquor Act 2007 (NSW).

- (e) Amend clause 4.1(e) by deleting ' , 1912'.

- (f) Delete the second sentence of clause 5.4 and amend the first sentence of clause 5.4 to read (strikeout means deleted, underlined means added):

Subject to clause 6.16, all Directors must be elected to their office as a director by the Voting Members as provided in these Rules.

- (g) Add the following sentence at the end of clause 5.5:

*The Board must also elect from among its members a replacement Chair or Vice-Chair if there is a vacancy in either or both of those roles (caused by the death, removal or resignation of the person in the role), at the first meeting of the Board after the vacancy occurs.*

- (h) Amend clause 32.1 to read (strikeout means deleted, underlined means added):



*Only persons who are 18 years or more of age are eligible to be admitted as a Member in any class of membership (except for the class of Junior Member).*

- (i) Amend clause 32.5 by deleting the words 'After 31 December 2005,'*
- (j) Amend clause 32.6 by deleting the words ', at any time after 31 December 2005,'*
- (k) Amend clause 33.1(a) by adding 'Junior Members' as class of Ordinary Member.*
- (l) Renumber clause 35.1(d) to be clause 35.2.*
- (m) Renumber clause 35.2 to be clause 35.3.*
- (n) Renumber clause 35.2(a) to be clause 35.4.*
- (o) Renumber clause 36.1(d) to be clause 36.2.*
- (p) Renumber clause 36.2 to be clause 36.3.*
- (q) Amend new clause 36.3 by replacing the reference to 'clause 36.1(d)' with 'clause 36.2'.*
- (r) Amend clause 37.1(b) to read (strikeout means deleted, underlined means added):*

*They have been a Gold Member, ~~or Silver Member~~ or Junior Members continuously for at least forty consecutive years.*

- (s) Insert new clause 39A as follows:*

*39A. Junior Members*

*39A.1 To qualify for admission or continuing membership as a Junior Member a person must:*

- (a) be under the age of 18 years;*
- (b) satisfy the Board that he or she has an interest in taking an active part in the sporting activities of the Club on a regular basis;*
- (c) provide the Board with written consent from their parent or guardian to him or her becoming a Junior Member of the Club; and*
- (d) be someone who, in the opinion of the Board, is suitable to be elected to Junior membership.*

*39A.2 Junior Members must only use those areas of the Club's premises in respect of which an authority has been granted pursuant to Section 22 of the Registered Clubs Act or in respect of which an approval has been*



*granted pursuant to Section 22A of the Registered Clubs Act, and must not be served with or consume alcohol in the premises*

*39A.3 Junior Members must pay such annual subscriptions as the Board may determine from time to time.*

*39A.4 Subject to clause 39A.2, a Junior Member is entitled to all the other rights, powers and privileges of a Gold Member except a Junior Member **is not** entitled to:*

*(a) receive notice of, attend or vote at any Annual General Meeting or other general meeting of members (except as otherwise required under the Act); ~~or~~*

*(b) stand for or propose or second the nomination of a person for election as a Director; or*

*(c) propose or second a person for admission as a member of the Club.*

*39A.5 When a Junior Member turns 18 years of age, their membership will automatically convert to a Gold Membership.*

**EXPLANATORY NOTE:**

1. Resolution 4 of this Extraordinary General Meeting will be considered regardless of the outcome of any of the other resolutions considered at the Meeting of Ordinary Members or this Extraordinary General Meeting.
2. Resolution 4 of this Extraordinary General Meeting must be passed by a simple majority (i.e. 50%) of the Voting Members who cast a vote
3. At the last AGM on 26 May 2020, the Members voted overwhelmingly in favour of a resolution to amend the Club Rules. The votes cast in favour and against the changes were:

Votes FOR	Votes AGAINST
79	0

4. Under section 5 of the *City Tattersall's Club Act 1912 (NSW)* and clause 23.3 of the Club Rules, after any change to the Club Rules has been carried at any meeting of the Club, the Chairman must convene another meeting of the Club for the purpose of confirming or rejecting the change.
5. The proposed changes to the Club Rules have been proposed by the Board to either correct an error, to clarify a rule or to introduce a new Junior Member class of membership.
6. Resolution 5(a) is proposed to clarify that the Board is established under clauses 5 and 6 of the Rules – not just clause 5.1.
7. Resolution 5(b) is proposed to clarify that the Chair is not elected under clause 5.4 of the Rules only, but under a process described in several provisions of the Club Rules.



8. Resolution 5(c) introduces a new definition for Junior Member.
9. Resolution 5(d) and (e) clarify that the reference to the Liquor Act in clause 4.1(e) is a reference to the Liquor Act 2007 (NSW).
10. Resolution 5(f) is proposed to clarify that the Directors are elected to their office as a director under clause 5.4 of the Rules – while the Chair and Vice Chair are elected by the Board under clause 5.5. The cross-reference to clause 6.16 helps clarify that a Director may be either elected by Voting Members or appointed by the Board under clause 6.16. The second sentence of clause 5.4 is not necessary, as the duration of a Directors term is already dealt with in other provisions of the Rules – e.g. paragraphs 4 and 5(2) of the triennial rule set out in Schedule 4 of the Act.
11. Resolution 5(g) is proposed to clarify that the Board may elect a Chair and Vice Chair if there is vacancy occurs in those roles.
12. Resolution 5(h) is proposed to clarify that Junior Members will be less than 18 years old.
13. Resolution 5(i) and (j) are proposed to simplify the wording of clauses 32.5 and 32.6 – as the references to 31 December 2005 are now redundant.
14. Resolution 5(k) is proposed to introduce the class of Junior Member as a type of Ordinary Member.
15. Resolution 5(l) to (q) are proposed to correct some clause numbering errors.
16. Resolution 5(r) is proposed to enable a member to count any period they have been a Junior Member toward their 40 years of continuous membership needed to achieve Life Membership – so long as it is continuous with Gold or Silver membership.
17. Resolution 5(s) is proposed to introduce the new class of Junior Member. A Junior Member will be a person less than 18 years of age who wants to participate in sport activities of the Club – e.g. fitness centre, dancing, bowls or snooker. The parent or guardian of the Junior Member must provide the Board with their written consent for the child to become a Junior Member. Junior Members will only have limited access to facilities of the Club and will not have any voting rights. Junior Members will not be able to propose or second a person for admission as a member of the Club.
18. The introduction of this class of membership will help expand the Club's membership base and will help the Club showcase its facilities and the benefits of membership to a younger generation. This will help ensure the longevity of the Club.
- 19. The Board recommends Resolution 4 of this Extraordinary General Meeting for approval.**