



**ABN 44 004 054 353**

## **NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a Special General Meeting of City Tattersall's Club will be held at **6pm on Monday 19<sup>th</sup> October 2020 (Meeting)**.

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

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 Meeting.

None of the resolutions to be considered at the Meeting may be amended in substance from the floor of that 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

18<sup>th</sup> September 2020



## BUSINESS OF THE SPECIAL GENERAL MEETING

The business of the Special General Meeting will be:

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 31 July 2020, to change the Club Rules.

### RESOLUTION 1 – CHANGES TO THE CLUB RULES

To confirm or reject the following resolution which was previously passed by the members at the meeting held on 31 July 2020:

#### RESOLUTION 1 – Changes to the Club Rules

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

- (b) **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."

- (c) **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.~~"

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

"5.6 Up to the fifth (5th) anniversary after the TCCL Amalgamation Date Completion and any earlier de-amalgamation with TCCL, 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."

- (e) **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 has the power to procure the following within fourteen days after 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 in a secret ballot, 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 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.”*

*(f) 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.”

(g) **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”

(h) **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 Club 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 clauses 58.3 and 58.4, must not commit, spend, dispose, mortgage or charge any of the TCCL Retained Funds.

58.3 The Board shall appoint a committee comprised of 7 former Directors of TCCL to assist the Board in the retention, management and investment of the TCCL Retained Funds (**TCCL Investment Committee**). The TCCL Investment Committee will be directed to maximise the return earned on the TCCL Retained Funds over the medium term (i.e. at least 5 years), consistent with international best practice for institutional investment.

Each member of the TCCL Investment Committee shall be paid an honorarium equal to the honorarium they received as a former Director of TCCL immediately before the TCCL Amalgamation Date. 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.

58.4 (a) 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 58.2 and must have regard to the following:

(i) TCCL Retained Funds may be invested in the following asset classes:

(A) 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;



- (B) *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;*
  - (C) *shares in any ASX 100 company (any share portfolio must be diversified);*
  - (D) *amalgamation opportunities presented by the Board; and*
  - (E) *any other asset class approved in writing by the Board.*
- (ii) *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;*
- (iii) *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*
- (iv) *The aggregate of the overall investment in the asset class specified in clause 58.4(a)(i)(C) and in any indirect investment under clause 58.4(a)(ii) must not be more than 50% of the TCCL Retained Funds.*
- (b) *TCCL Retained Funds may be expended on:*
- (i) *all taxes payable in relation to the TCCL Retained Funds; and*
  - (ii) *statutory compliance and operating costs of TCCL as a continuing corporate entity (such as but not limited to directors' expenses and honorariums, employee salaries, consultancy fees, accounting, investment and filing fees with regulatory and investment bodies and insurance costs), any loss arising from any liability or claim by or against TCCL, including legal costs, made, accrued or arising after completion the amalgamation the Club and TCCL.*
- 58.5 *The TCCL Investment Committee must provide to the Board monthly financial reports, within 14 days after the end of each month, on the composition and total value of the TCCL Retained Funds and in particular but without limiting the generality of this clause, the reports must state if there has been any expenditure of any part of the TCCL Retained Funds and diminution in the TCCL Retained Funds and if so the reasons for the diminution.*
- 58.6 *If there is a de-amalgamation of TCCL and the Club 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)*



- 58.7 *In the event of there being no de-amalgamation referred to in clause 58.6, 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.*
- 58.8 *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.*
- 58.9 *Other than automatic repeal of this clause under clauses 58.6 and 58.7 and despite any other clause of these Rules, this clause 58 may not be amended if such amendment is inconsistent with the TCCL Amalgamation Documents. Despite any other clause in these Rules, any resolution to amend this clause 58 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 58.7); 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 58.7); and*
  - (c) *the requirements of clauses 23 and 24 are otherwise met (as modified by this clause 58.7), including the requirement for a second general meeting of Voting Members under clause 23.3 to confirm or reject any change or repeal.*
- 58.9 *If the Club replaces these rules with new rules before the automatic repeal of this rule 58, it must include in the new rules a rule identical to this rule 58.*

**EXPLANATORY NOTE:**

1. Resolution 1 of this Special General Meeting must be passed by a simple majority (i.e. 50%) of the Voting Members who cast a vote.
2. At the last meeting on 31 July 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	2

3. 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.
4. The proposed changes to the Club Rules have been proposed by the Board to either reflect the arrangements that have been agreed between the Club and The Catholic' Club Ltd ABN 35 000 982 436 (**TCCL**) and to meet the requirements of the *Registered Clubs Act 1976 (NSW)*.



5. TCCL 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.
6. 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.
7. 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.
8. New clause 6.18 sets out the mechanism for the election and appointment of former members of TCCL to the Board.
9. New clause 33.2 is required to meet the requirements of section 17AC(2) of the Registered Clubs Act.
10. 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.
11. New clause 58 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. This clause 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.

The Board recommends this Resolution 1 of this Special General Meeting for approval.