



# NOTICE OF EGM

## NOTICE OF EXTRAORDINARY GENERAL MEETING TERRIGAL MEMORIAL COUNTRY CLUB LIMITED ACN 000 826 086

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NOTICE is hereby given of an Extraordinary General Meeting of TERRIGAL MEMORIAL COUNTRY CLUB LIMITED to be held on Wednesday 17th November 2021 commencing at 7:00pm in the premises of the Club, Dover Road, Wamberal, NSW.

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### **BUSINESS**

The business of the meeting will be to consider and if thought fit pass the Ordinary Resolution set out below.

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### **IMPORTANT NOTES TO MEMBERS REGARDING THE EXTRAORDINARY GENERAL MEETING**

1. In order to attend the Extraordinary General Meeting, members will be required to present a current and valid membership card to the authorised employee of the Club before entering the meeting room.
2. The Club requests that members register their intention to attend the meeting by emailing the Club on [info@breakerscc.com](mailto:info@breakerscc.com) before the date of the meeting. This will assist the Club in planning for the Extraordinary General Meeting and ensuring compliance with the relevant orders associated with the coronavirus pandemic.



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## ORDINARY RESOLUTION

That the members hereby approve in principle the amalgamation of Mount Pritchard & District Community Club Limited ACN 000 458 622 (Mounties) with Terrigal Memorial Country Club Limited ACN 000 826 086 (Breakers), with such amalgamation to be effected:

- (a) in accordance with the Memorandum of Understanding (MOU) between Mounties and Breakers; and
- (b) by the continuation of Mounties as the corporate body of the Amalgamated Club and the dissolution of Breakers;
- (c) by the granting of an application made to Liquor & Gaming NSW (LGNSW) for the transfer of the club licence held by Breakers in respect of its premises at Dover Road, Wamberal (Breakers Premises) to Mounties for the purpose of such amalgamation;
- (d) by the transfer of the club licence held by Breakers to Mounties pursuant to the application referred to in paragraph (c);
- (e) the transfer of Breakers' assets and liabilities to Mounties in accordance with the MOU.

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## PROCEDURAL NOTES TO MEMBERS ON ORDINARY RESOLUTION

3. All financial members (other than Provisional, Honorary and Temporary members) can attend and vote at the meeting.
4. To be passed the Ordinary Resolution requires votes from a simple majority (50% plus one) of those members who being eligible to do so are present and vote on the Ordinary Resolution at the meeting.
5. Under the Registered Clubs Act, members who are employees cannot vote and proxy voting is prohibited.
6. The Board recommend that the members vote in favour of the Ordinary Resolution.

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## EXPLANATORY NOTES TO MEMBERS ON ORDINARY RESOLUTION

1. An amalgamation between two registered clubs is governed by the provisions of the Registered Clubs Act and one of the requirements of the Registered Clubs Act is that the two clubs have to enter into a MOU.
2. Mounties and Breakers have entered into a MOU which sets out the terms of the proposed amalgamation.
3. The MOU is currently displayed on the noticeboard and website (<https://breakerscc.com>) of Breakers. Copies of the MOU can be obtained on request from the Chief Executive Officer of Breakers (Breakers' CEO).
4. Members are encouraged to carefully read the terms of the MOU and, if they have any questions or are seeking clarification of any matter relating to the amalgamation or what is contained in the MOU, they should direct their enquiries to Breakers' CEO.
5. Set out below is a summary of some of the principle features of the MOU and the steps that need to be followed in the amalgamation process.

### **Dissolution of Breakers**

6. The amalgamation is being effected by the dissolution of Breakers and the continuation of Mounties.

### **Corporate Governance Matters**

7. The constitution of Mounties (as amended from time to time) will be the constitution of the Amalgamated Club.
8. The Board of Mounties will be the Board of the Amalgamated Club.
9. The Chief Executive Officer of Mounties will be the Chief Executive Officer of the Amalgamated Club.
10. Mounties will appoint an approved manager for the Breakers Premises with effect from completion of the amalgamation (Completion) and the approved manager will be Breakers' CEO if he accepts an offer of employment from Mounties.

### **Premises of the Amalgamated Club**

11. The premises of the Amalgamated Club will be the Breakers Premises and all of the premises of Mounties as at Completion.
12. On Completion, title (ownership) to the Breakers Premises will be transferred to Mounties and Mounties will be responsible for the management, business and affairs of the Breakers Premises.

### **Trading Name and Branding of Breakers Country Club**

13. After completion of the amalgamation, the Breakers Premises will continue to be named and promoted as "Breakers Country Club" but its logo will be altered to utilise the Mounties spark logo branding.

### **Traditions, Amenities and Community Support**

14. Mounties (as the Amalgamated Club) will:
  - (a) maintain the traditions and memorabilia of Breakers as set out in Schedule 2 of the MOU; and
  - (b) continue to contribute community support donations to the local Central Coast sporting and community groups (including maintaining an association with Breakers Indoor Sports Stadium) at existing levels;
  - (c) maintain an association with the Terrigal Wamberal Returned Services League Sub Branch (Sub-Branch) with respect to the Breakers Premises;
  - (d) provide office accommodation, internet, phone services, meeting spaces for the Sub-Branch at the Breakers Premises;
  - (e) play the Ode daily at the Breakers Premises;
  - (f) assist with holding and promoting all events held by the Sub-Branch;
  - (g) maintain existing RSL memorabilia at the Breakers Premises;
  - (h) assist the Sub-Branch with maintaining cenotaphs at the Breakers Premises and Terrigal Beach;
  - (i) honour all existing commitments to local sporting and community groups and continue to provide support to those groups at existing levels;
  - (j) subject to the MOU, retain the two (2) bowling greens and golf course at the Breakers Premises.

### **Club Operations**

15. Subject to the terms of the MOU, Mounties (as the Amalgamated Club) will:
- (a) carry on the business of a licensed registered club at the Breakers Premises with all the facilities and amenities of a registered club; and
  - (b) continue to offer the same or similar golf and bowling facilities for sub-club use and to meet the needs and requirements of the sub-clubs.

### **Strategic Masterplan for Breakers Premises**

16. Mounties will conduct a masterplan process in relation to the Breakers Premises and undertake the works referred to in that site masterplan.
17. The following shall apply in respect of that masterplan process:
- (a) Within 12 months of Completion, Mounties will develop the site masterplan for the Breakers Premises with indicative expenditure of \$11 million; and
  - (b) The master planning process will include consultation with the approved manager of the Breakers Premises, the Advisory Committee and Breakers Country Club members;
  - (c) The site masterplan will deal with improvements, renovations and refurbishments at the Breakers Premises to the Clubhouse and their surrounds only;
  - (d) Mounties must use best endeavours to lodge an application for development consent for the site masterplan (or part thereof) within a period of eighteen (18) months after Completion;
  - (e) Mounties must use best endeavours to substantially commence works on the site master plan within two (2) years of receiving development consent
  - (f) Mounties must use best endeavours to complete the works for the masterplan within five (5) years after Completion.

### **Golf Course Upgrade**

18. Mounties will upgrade the golf course in line with the current masterplan in respect of the golf course, and it will spend \$200,000 per annum over the first 5 years after Completion.

### **Golf Course Lease**

19. Mounties will use its best endeavours to renew the existing lease for the golf course or enter into a new lease for the golf course at the Breakers Premises. The renewed lease or new lease must be on terms acceptable to Mounties and must continue at least until the fifth anniversary of Completion.

### **“Freezing” Golf and Bowls Fees**

20. Mounties will freeze (not increase):
- (a) the current golf fees for golfing members as at the date of the MOU for a period of three (3) years from Completion, except to the extent that any portion of that golf fee which is payable to Golf NSW (or such other governing body) is increased by that body; and
  - (b) the current bowling fees for bowling members as at the date of this MOU for a period of three (3) years from Completion, except to the extent that any portion of that bowling fee which is payable to Bowling NSW (or such other governing body) is increased by that body.

### **Capital Replacement and Preventative Maintenance Programs**

21. Mounties will establish and implement:
  - (a) capital replacement programs for equipment at the Breakers Premises (including gaming machines and golf course equipment); and
  - (b) preventative maintenance program to ensure that the facilities at the Breakers Premises are maintained to a similar or better condition as in existence as at Completion.
22. Mounties will appoint an employee or contractor dedicated to maintenance at the Breakers Premises.

### **Novation of Contracts with Specified Service Providers**

23. Mounties will offer Henderson Golf Pty Ltd (the current golf professional), Glen Symonds (the current bus provider) and Gus' Mowing and Maintenance (the current contract greenkeeper) a novation of their existing contracts with Breakers.
24. If the service providers consent to the novation of their agreements to the Amalgamated Club, they will continue to provide services at the Breakers Premises after Completion.

### **Sub-Clubs**

25. Mounties will allow the existing sub-clubs of Breakers (as at the date of the MOU) to continue at the Breakers Premises. This includes Breakers Bowling Club, Breakers Women's Bowling Club, Breakers Men's Golf Club, Breakers Women's Golf Club and Breakers Darts Club.
26. Mounties will also create a sub-club known as the "Breakers Country Club Sub-Club" for the below purpose.

### **Advisory Committee**

27. Mounties will establish an Advisory Committee for the Breakers Premises which will:
  - (a) consist of and be elected by Breakers' members only; and
  - (b) continue to exist and provide advice to the Mounties' CEO in relation to the Breakers Premises for at least five (5) years and it may subsequently continue for a further five (5) years if Mounties determines that there is a need for continuing local input on matters.

### **Ceasing to Trade from Breakers Premises**

28. Subject to the terms of the MOU, the Amalgamated Club will continue to trade from the Breakers Premises, operate two (2) bowling greens and operate the golf course for at least five (5) years after Completion.
29. The Amalgamated Club may cease trading from the Breakers Premises and/or cease bowls or other sporting activities conducted at the Breakers Premises (or any redeveloped premises) in the following circumstances:
  - (a) upon the order of any court, government agency or body with jurisdiction to administer the laws in relation to liquor, gaming and registered clubs which orders or requires the permanent closure of the Breakers Premises; or
  - (b) upon the lawful order of any government agency to permanently cease trading from the Breakers Premises;



- (c) upon the lawful order of any government agency which revokes any license, approval or consent necessary for the Amalgamated Club to continue trading from the Breakers Premises;
  - (d) if the Breakers Premises are destroyed or partially destroyed, and it is not commercially viable or appropriate to reconstruct or repair the Breakers Premises in the opinion of the Board of the Amalgamated Club, except where appropriate insurance cover is available to reinstate the Breakers Premises;
  - (e) in the case of bowling, golf and sporting activities only, after the fifth anniversary of Completion, there are insufficient active bowling, golf or sporting members and/or insufficient social bowling, golf or sporting activity or participation in such activity;
  - (f) if required to avoid an insolvency event occurring in respect of the Amalgamated Club; or
  - (g) if, after the fifth anniversary of Completion, it is not financially viable to trade from the Breakers Premises.
30. The MOU contains a mechanism for a de-amalgamation if the Amalgamated Club ceases trading from the Breakers Premises at any time. In general terms, a de-amalgamation would result in Breakers (or a company representing the interests of Breakers) reassuming the responsibility for the management, business and affairs of the Breakers Premises. This is explained in detail in clauses 11.7 to 11.10 inclusive of the MOU.

### **Employees**

31. Mounties will make offers of employment to all of Breakers' employees and those employees who accept the offer of employment will become employees of Mounties, with effect from Completion.

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

32. The Breakers Premises (including the Clubhouse, golf course and bowling greens) is currently core property of Breakers and it will also be core property of the Amalgamated Club.
33. The cash and investments of Breakers will be transferred to the general reserves of Mounties.
34. Breakers has ninety-two (92) gaming machine entitlements and it is intended that all of those gaming machine entitlements will be retained at the Breakers Premises for at least the first five (5) years after Completion.

### **Admission of Breakers' Members to Mounties**

35. Mounties will invite Breakers' members to become members of Mounties (as the Amalgamated Club) and the members who accept that invitation will become members of Mounties.
36. Life members of Breakers will be recognised as Life members of the Breakers Country Club Sub-Club but they will not become Life members of Mounties.
37. Life Members of the Breakers Country Club Sub-Club will be relieved of the requirement to pay any subscription or affiliation fees for membership of the Breakers Country Club Sub-Club and the relevant sporting sub-club(s).



### The Amalgamation Process

38. Each club must hold a meeting of its members to approve the amalgamation in the same terms as the Ordinary Resolution above.
39. If the Ordinary Resolution is passed, Mounties will hold an extraordinary general meeting for its members to approve the amalgamation.
40. If the members of Mounties approve the amalgamation, an application will be made to LGNSW for its approval of the amalgamation.
41. Once the approval of LGNSW has been obtained (and subject to due diligence and all other necessary steps being completed) there will be a formal commercial settlement. On the day of that commercial settlement the following things (among others) will happen:
  - (a) Breakers will transfer its assets to Mounties, including its land and club licence;
  - (b) All members of Breakers who have consented to become members of Mounties will be admitted to membership of Mounties;
  - (c) Breakers employees who accept their offer of employment from Mounties will become employees of Mounties.
  - (d) Mounties will become responsible for the management, business and affairs of the Breakers Premises.

Signed: .....By direction of the Board

Signed:  17/11/2021  
Ken Pearson  
Chief Executive Officer