

AUSTRALIAN 18 – FOOTERS' LEAGUE LTD
ACN 001 071 558
NOTICE OF GENERAL MEETING

NOTICE is hereby given of a General Meeting of **AUSTRALIAN 18 – FOOTERS' LEAGUE LTD** to be held on **Sunday, 26 November 2023** commencing at **11:30am** in the premises of the Club **77 Bay Street, Double Bay, NSW**.

BUSINESS

The business of the meeting will be to consider and if thought fit pass the Ordinary Resolution below in relation to the proposed amalgamation between Australian 18-Footers' League Ltd and Sydney Flying Squadron Ltd.

PROCEDURAL MATTERS FOR RESOLUTIONS

1. 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.
2. In accordance with the *Registered Clubs Act* and despite voting restrictions in the Club's Constitution in relation to certain classes, all members in all classes of membership (excluding Honorary and Temporary members) can vote on the Ordinary Resolution.
3. Under the *Registered Clubs Act*, members who are employees are not eligible to vote and proxy voting is prohibited.
4. The Board unanimously recommends that the members vote in favour of the Ordinary Resolution.

ORDINARY RESOLUTION

That the members hereby approve in principle the amalgamation of Australian 18-Footers' League Ltd ACN 001 071 558 (**18 Footers**) with Sydney Flying Squadron Ltd ACN 000 487 230 (**the Squadron**), with such amalgamation to be effected:

- (a) by the continuation of the Squadron as the corporate body of the Amalgamated Club and the dissolution of 18 Footers; and
- (b) by the granting of an application made to the Independent Liquor & Gaming Authority (**Authority**) for the transfer of the club licence held by 18 Footers to the Squadron for the purpose of such amalgamation; and
- (c) by the transfer of the club licence held by 18 Footers to the Squadron pursuant to the application referred to in paragraph (b).
- (d) in accordance with the terms set out in the Memorandum of Understanding (**MOU**) between the Squadron and 18 Footers dated 19 October 2023.

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. On 19 October 2023, the 18 Footers and the Squadron entered into a MOU which sets out the terms of the proposed amalgamation.
3. The MOU is currently displayed on the Club's website and on the noticeboard at the Club's premises.
4. Copies of the MOU can be obtained on request from Warren Sare, the Chief Executive of the Club and from reception at the Club's premises.
5. Members are encouraged to carefully read the terms of the MOU and if they have any questions or are seeking clarification of any matter relating to the amalgamation or what is contained in the MOU, they should direct their enquiries to the Chief Executive of the Club.
6. What follows in these notes 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 18 Footers

7. The amalgamation is being effected by the dissolution of 18 Footers and the continuation of the Squadron.

Why is the 18 Footers the dissolving club?

8. Under the *Registered Clubs Act* an amalgamation of two registered clubs has to be effected by the dissolution of one club and the continuation of the other or by the dissolution of both clubs and the formation of a new club.

9. All amalgamations to date have been undertaken by the dissolution of one club and the continuation of the other and this model is being followed.
10. The Squadron has a wholly owned subsidiary called "Pattens Slipways Pty Ltd" (**Pattons**).
11. Pattons is the owner of a substantial area of real estate at Kirribilli, adjacent to the Squadron's club house.
12. If the 18 Footers was to be the continuing club, then on completion of the amalgamation, the shares in Pattons held by the Squadron would be transferred to the 18 Footers. Advice has been received that this could attract very substantial stamp duty.
13. Accordingly, the decision was made for the 18 Footers to be the dissolving club.

Corporate Governance Matters

14. The constitution of the Amalgamated Club (as amended from time to time) will be the constitution of the Squadron.
15. The first Board of the Amalgamated Club will be the Board of 18 Footers, who will take office on the date of Completion of the Amalgamation.
16. The Secretary and Chief Executive Officer of the Amalgamated Club will be the Secretary and Chief Executive Officer of 18 Footers.

Premises of the Amalgamated Club

17. The premises of the Amalgamated Club will be the Squadron's premises at Kirribilli and the 18 Footers' premises at Double Bay.
18. On completion of the amalgamation, the lease for the 18 Footers premises will be transferred to the Squadron.
19. The traditions, amenities, facilities, sailing activities and memorabilia of both clubs at each of their premises will be maintained by the Amalgamated Club.
20. The Amalgamated Club will explore opportunities to maintain and enhance community support to the local community at the premises of both clubs.
21. After completion of the amalgamation, the premises of each club will continue to be named and promoted under their current names.
22. The Amalgamated Club may appoint an approved manager for the Squadron's premises.

Name of the Amalgamated Club

23. Subject to the consent of the Australian Securities and Investments Commission (**ASIC**) the proposed name of the Amalgamated Club will be "Australian Eighteen Footers Limited".

Advisory Committees

24. The Amalgamated Club will create an Advisory Committee for each of the premises of the Amalgamated Club. Each Advisory Committee will make recommendations to the Board of the Amalgamated Club regarding the operations of the respective premises, membership matters at those premises and ClubGRANTS.
25. An Advisory Committee will not have any governance or management powers in the Amalgamated Club and it will be subject to the overall control and direction of the Board and management of the Amalgamated Club.

Employees

26. The Squadron will offer employment to all of 18 Footers' employees and if those offers of employment are accepted, they will become employees of the Squadron as and from the completion of the amalgamation.

Intentions regarding core property, cash and investments and gaming machine entitlements of 18 Footers

Core Property

27. The premises of both clubs is currently "core property" for the purposes of the *Registered Clubs Act* and they will also be core property of the Amalgamated Club.

Cash and Investments

28. The cash and investments of 18 Footers will be transferred to the Squadron on completion of the amalgamation.

Gaming Machine Entitlements

29. The 18 Footers has 16 gaming machine entitlements and ownership of those gaming machine entitlements will be transferred to the Squadron on completion of the amalgamation.

Cessation of Trade from Premises of both Clubs

30. There is no intention for the Amalgamated Club to cease trading from either premises or cease sailing activities at the premises of either club but, as required by the Regulations made under the *Registered Clubs Act*, the clubs have agreed in the MOU that the Amalgamated Club may cease trading from the 18 Footers' premises in the following circumstances:
 - (a) If after the first three years after Completion of the Amalgamation the Board of the Amalgamated Club determines that it is not financially viable to continue trading from the 18 Footers premises.

- (b) Upon any order of a Court or body having jurisdiction over liquor and gaming and clubs.
- (c) If the 18 Footers' premises are destroyed or it is not possible to trade from them.
- (d) Upon any lawful order of a governmental authority.
- (e) If the 18 Footers' lease for its premises is terminated and a fresh lease does not contain acceptable terms.

Admission of 18 Footers' Members to the Squadron

- 31. Life and Ordinary members of the Squadron will be asked to vote on a Special Resolution to amend the Constitution of the Squadron to take effect from completion of the amalgamation.
- 32. If passed, the Special Resolution will allow all eligible members of 18 Footers to become members of the Squadron as easily and legally possible. However, for more detail, refer to the notes under the heading "Amendments to the Constitution of the Squadron" below.

The Amalgamation Process

- 33. Each club must hold a meeting of its members to approve the amalgamation in the same terms as the Ordinary Resolution above.
- 34. Assuming both sets of members approve the amalgamation and the Squadron amends its Constitution, an application will be made to the Authority for its approval of the amalgamation. The 18 Footers will have the carriage of that application.

The Date of Completion of the Amalgamation

- 35. Once the approval of the Authority to the amalgamation has been obtained (and subject to due diligence and all other necessary steps being completed) there will be a formal commercial settlement for the purposes of the Amalgamation. On the day of that commercial settlement (**the date of Completion of the Amalgamation**) the following things (among others) will happen:
 - (a) 18 Footers will transfer its club licence to the Squadron; and
 - (b) 18 Footers will transfer its assets to the Squadron, including the lease of its premises at Double Bay and gaming machine entitlements;
 - (c) All eligible members of 18 Footers who have consented to become members of the Squadron will be admitted to membership of the Squadron;
 - (d) 18 Footers' employees who accept employment with the Squadron will become employees of the Squadron.
 - (e) The Board of the 18 Footers will become the Board of the Squadron and will become responsible for the management, business and affairs of both club's premises and the Secretary of the 18 Footers will become the Secretary and CEO of the Squadron.
 - (f) The directors of Pattons will be replaced by directors appointed by the 18 Footers Board.
- 36. After completion of the amalgamation, the 18 Footers will then proceed to a members' voluntary winding up.

Amendments to the Constitution of the Squadron

- 37. At a meeting of the Squadron, the members of the Squadron will be asked to pass a Special Resolution to amend the Constitution of the Squadron.
- 38. If passed, all of the amendments to the Constitution of the Squadron will not take effect until the date of Completion of the Amalgamation.
- 39. The principle changes to the Squadron's Constitution are as follows:
 - (a) A new class of membership is being created called Sailing Ordinary members. This is required because Rule 10 of the Squadron's Constitution provides that a person joins the Squadron either as a Sailing member or as a Social member, but neither of these classes have voting rights or the right to be on the Board of the Club.
 - (b) However, after 12 months, Sailing members automatically become Ordinary members and after 3 years Social members automatically become Ordinary members.
 - (c) Ordinary members and Life members are the only members eligible to vote at elections and general meetings of the Squadron and to hold office on the Board of the Squadron.
 - (d) There was concern that, with this structure, members who are not sailors could ultimately control the Board of the Club.
 - (e) Accordingly, the new class of Sailing Ordinary membership is for persons who were Sailing members of the Squadron and became Ordinary members prior to the date of Completion of the Amalgamation or are Sailing members of the 18 Footers as at the date of Completion of the Amalgamation or, after the date of Completion of the Amalgamation, they joined the Club as Sailing members and after 12 months automatically become Sailing Ordinary members.
 - (f) Social members will still be able to transition to Ordinary membership after 3 years and, as Ordinary members, they will retain their right to vote and stand for election to the Board.

- (g) Members of the 18 Footers who are not Sailing Members of the Club will become Ordinary Members of the Squadron from the date of Completion of the Amalgamation.
- (h) The governing body (Board) of the Amalgamated Club will, with effect from Completion of the Amalgamation, consist of 9 Directors being a President, a Commodore and 7 Ordinary Directors.
- (i) However, the President, the Commodore and at least 5 of the Ordinary Directors must be Life members or Sailing Ordinary members. As indicated above, this is designed to ensure that the majority of the Board are sailors.
- (j) On and from the date of Completion of the Amalgamation, the Directors of the Squadron will cease to hold office and the then Directors of the 18 Footers will take over as the Directors of the Squadron and therefore of the Amalgamated Club.
- (k) These Directors will hold office until the first Annual General Meeting following the date of Completion of the Amalgamation.
- (l) At that first Annual General Meeting after the date of Completion of the Amalgamation, the Directors who are elected to office will, in accordance with the triennial rule under the *Registered Clubs Act* (an existing provision of the Squadron's Constitution) be divided into 3 groups. Group 1 will hold office for 1 year, group 2 will hold office for 2 years and group 3 will hold office for 3 years. Thereafter, the provisions of the triennial rule will apply at all subsequent Annual General Meeting so that Directors hold office for a 3 year term with one-third retiring each year but being eligible for re-election (subject to the Constitution).
- (m) As permitted by the *Registered Clubs Act*, the members of the 18 Footers will become members of the Squadron with effect from the date of Completion of the Amalgamation, provided that, prior to that date, they have agreed in writing to become members of the Squadron and their names have been displayed on the noticeboard of the Squadron for at least 7 days and a period of not less than 14 days has elapsed after receipt of their agreement to become a member before being elected by a resolution of the Board of the Squadron to membership. Life Members of the 18 Footers will become Life Members of the Squadron once they are admitted to membership of the Squadron.
- (n) Before completion of the amalgamation, the Squadron will issue a written invitation to all members of the 18 Footers to agree to become members of the Squadron.
- (o) As required by the *Registered Clubs Act*, the members of the 18 Footers shall be separately identified in the register of members as former members of the 18 Footers, but that is in addition to their substantive membership class pursuant to the Constitution of the Squadron.
- (p) One of the objects of the Squadron is being slightly amended so that it will read:

"to foster, encourage and promote the sailing of historic 18 foot skiffs, modern 18 foot skiffs, other skiff based sailing boats, and other classes of boats on the waters of Sydney Harbour as approved by the Board from time to time

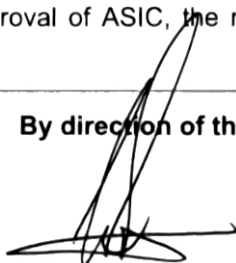
And also:

"to support and encourage open boat sailing within the Commonwealth of Australia and elsewhere"

- (q) The financial year of the Squadron will be slightly amended to commence on the first day of July in each year and end on the last day of June in the following year.
- (r) Finally, subject to the approval of ASIC, the name of the Squadron will be changed to "Australian Eighteen Footers Limited".

Dated: 31.10.23

By direction of the Board



Warren Sare
Secretary/Chief Executive Officer