

SYDNEY FLYING SQUADRON LIMITED  
ACN 000 487 230  
NOTICE OF GENERAL MEETING

NOTICE is hereby given of a General Meeting of **SYDNEY FLYING SQUADRON LIMITED** to be held on **Saturday, 25<sup>th</sup> November 2023** commencing at **Midday** in the premises of the Club **76 McDougall Street, Kirribilli, NSW**.

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**BUSINESS**

The business of the meeting will be to consider and if thought fit firstly pass the Ordinary Resolution and secondly, pass the Special Resolution set out below, both of which are in relation to the proposed amalgamation between Sydney Flying Squadron Ltd and Australian 18-Footers' League Ltd.

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**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. To be passed, the Special Resolution requires votes from not less than three quarters of those members who being eligible to do so, vote in person on the Special Resolution at the meeting
  3. 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.
  4. However, under the Club's Constitution, only Life members and Ordinary members can vote on the Special Resolution.
  5. Under the *Registered Clubs Act*, members who are employees are not eligible to vote and proxy voting is prohibited.
  6. The Board unanimously recommends that the members vote in favour of both Resolutions.
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**ORDINARY RESOLUTION**

That the members hereby approve in principle the amalgamation of Sydney Flying Squadron Ltd ACN 000 487 230 (**the Squadron**) with Australian 18-Footers' League Ltd ACN 001 071 558 (**18 Footers**), 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.
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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. On 19 October 2023, the Squadron and 18 Footers 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 Squadron's premises.
4. Copies of the MOU can be obtained on request from the Treasurer Alan Robertson of the Squadron and from reception at the Squadron'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 Treasurer Alan Robertson of the Squadron.
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.

## **Corporate Governance Matters**

8. The constitution of the Amalgamated Club (as amended from time to time, including pursuant to the Special Resolution set out in this Notice of Meeting) will be the constitution of the Squadron.
9. 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.
10. 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**

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

## **Name of the Amalgamated Club**

17. 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". This is one of the provisions of the Special Resolution below.

## **Advisory Committees**

18. The Amalgamated Club will create an Advisory Committees for each of the premises of the Amalgamated Club. Each Advisory Committee who will make recommendations to the Board of the Amalgamated Club regarding the operations of the respective premises, membership matters at those premises and ClubGRANTS.
19. 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**

20. 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**

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

### **Cash and Investments**

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

### **Gaming Machine Entitlements**

23. 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**

24. 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

25. Life and Ordinary members of the Squadron will be asked to vote on the Special Resolution at the end of this notice to amend the Constitution of the Squadron to take effect from completion of the amalgamation.
26. 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 following the Special Resolution set out in this Notice.

## The Amalgamation Process

27. Each club must hold a meeting of its members to approve the amalgamation in the same terms as the Ordinary Resolution above.

## The Date of Completion of the Amalgamation

28. Assuming both sets of members approve the amalgamation, an application will be made to the Authority for its approval of the amalgamation. The 18 Footers will have the carriage of that application.
29. 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 Slipways Pty Ltd will be replaced by directors appointed by the 18 Footers Board.
30. After completion of the amalgamation, the 18 Footers will then proceed to a members' voluntary winding up.

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## **SPECIAL RESOLUTION**

*[The Special Resolution is to be read in conjunction with the notes to members set out below.]*

That, with effect from the Date of Completion of the Amalgamation between the Squadron and the Australian 18-Footers' League Ltd ACN 001 071 558, pursuant to the Memorandum of Understanding between that club and the Squadron dated 19 October 2023, the Constitution of Sydney Flying Squadron Ltd be amended by:

- (a) inserting in Rule 2 in the appropriate alphabetical positions the following definitions:

*“**18 Footers**” means Australian 18-Footers' League Ltd ACN 001 071 558.*

*“**Date of Completion of Amalgamation**” means the date the 18 Footers club liquor licence is transferred to the Club pursuant to the amalgamation between the Club and the 18 Footers on the terms set out in the Memorandum of Understanding between the two clubs dated 19 October 2023.”*
- (b) inserting in Rule 10 after subparagraph (a) the following new subparagraph (aa) and heading:

*“(aa) **Sailing Ordinary members** shall be persons who:*

  - (a) *prior to the Date of Completion of Amalgamation were Sailing members of the Club who, pursuant to paragraph (b) of this Rule 10 became Ordinary members; or*
  - (b) *as at the Date of Completion of Amalgamation were Sailing members of the 18 Footers pursuant to the Constitution of the 18 Footers and who are admitted to membership of the Club pursuant to Rule 19A.*
  - (c) *become Sailing Ordinary members pursuant to subparagraph (b) of this Rule 10.”*
- (c) deleting subparagraph (b) of Rule 10 and in its place inserting the following new subparagraph (b):

*“**Sailing members** shall be persons who have attained the age of eighteen (18) years and who are sailors actively involved in sailing at the Club who are presently, or in the past, have been actively engaged in sailing boats of the 18 Footer class in races conducted by the Club (or by the 18 Footers) or own a boat participating in races conducted by the Club or who are engaged in the conduct or administration of such races. Sailing members shall become Sailing Ordinary members after twelve (12) months continuous membership as Sailing members.”*
- (d) deleting subparagraph (a) of Rule 10 and in its place inserting the following new subparagraph:

**“Ordinary members** shall be persons who have attained the age of eighteen (18) years and who are admitted to Ordinary membership in accordance with this Constitution or are Gold members or Silver members of the 18 Footers who were admitted to membership of the Club pursuant to Rule 19A or who become Ordinary members pursuant to subparagraph (c) of this Rule 10.”

- (e) inserting at the end of subparagraph (e) of Rule 10 the following sentence:  
*“Notwithstanding anything in this subparagraph (e), a person who is a Life member of the 18 Footers as at the Date of Completion of Amalgamation will be a Life member of the Club on and from that date, subject to being admitted to membership of the Club pursuant to Rule 19A.”*
- (f) inserting in paragraphs (a) and (b) of Rule 15 after the words, “Ordinary members” the words, “Sailing Ordinary members”.
- (g) deleting Rules 33, 34 and 35 and in their place inserting the following new Rules 33, 34 and 35:  
“33. The Board shall consist of nine (9) directors, being:  
(a) President;  
(b) Commodore;  
(c) seven (7) Ordinary Directors.  
34. The President, the Commodore and at least five (5) Ordinary Directors must be Life members or Sailing Ordinary members. The Board of Directors shall determine the eligibility of persons to qualify as Sailing Ordinary members in accordance with Rule 10(aa).  
35. (a) Subject to Rule 34, only Sailing Ordinary Members, Life Members and Ordinary members can be elected or appointed to the Board of Directors of the Club.  
(b) A member who is currently unfinancial or under suspension shall not be elected or appointed to office as a member of the Board of Directors or member of any committee while such member remains unfinancial or during the period of suspension.”
- (h) inserting the following new Rule 35A and headings:  
**“Appointment of new Directors on Completion of Amalgamation**  
*On and with effect from the Date of Completion of Amalgamation the directors who are then in office shall hereby immediately cease to be directors of the Club and the directors and office bearers of the 18 Footers holding office in that club will hereby take office as the Board of the Club and will be eligible to remain in office until the first Annual General Meeting following the Date of Completion of Amalgamation when, subject to this Constitution, each of them will be eligible for re-election and, if elected, will hold office pursuant to the triennial rule in Rule 40 .”*
- (i) inserting after Rule 19 the following new Rule 19A and heading:  
**“(a) Admission to Membership Pursuant to Amalgamation**  
(i) A person may be admitted as a member of the Club pursuant to this Rule 19A if at the Date of Completion of Amalgamation that person is a full member (as defined in the Registered Clubs Act) of the 18 Footers and has agreed to be a member of the Club pursuant to the amalgamation in accordance with this Rule 19A (**“the Agreement”**).  
(ii) The Agreement must be in writing and to the effect that the person referred to in paragraph (i) agrees to be a member of the Club and agrees to be bound by the Constitution and By-laws of the Club as are in force from time to time.  
(iii) Any person referred to in paragraph (i) who completes and signs the Agreement and returns the Agreement to the Club shall (subject to the name of that person being displayed on the noticeboard of the Club for not less than seven (7) days and a period of not less than fourteen (14) days elapsing after receipt of the signed Agreement by the Club) be elected by a resolution of the Board to membership of the Club.  
**(b) Identification of 18 Footer members**  
*18 Footer members shall be those persons who are full members (as defined in the Registered Clubs Act) of the 18 Footers who are admitted to membership of the Club pursuant to this Rule 19A for the purpose of the amalgamation between the Club and the 18 Footers and will be identified as such in the register of members, as well as their substantive membership class pursuant to this Constitution.”*
- (j) deleting from paragraph (c) of Rule 56 the words and figure **“Four (4) Directors shall constitute a quorum”** and in their place inserting the following words and figure **“Five (5) Directors shall constitute a quorum”**.
- (k) deleting subparagraph (a) of Rule 125 and in its place inserting the following new subparagraph (a):

*"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."*

- (l) inserting the following new subparagraph (g) to Rule 125:

*"to support and encourage open boat sailing within the Commonwealth of Australia and elsewhere."*
- (m) deleting Rule 88 and in its place inserting the following new Rule 88:

*"The financial year of the Club shall commence on the first day of July in every year and shall end on the last day of June in the following year."*
- (n) Subject to the consent of the Australian Securities and Investments Commission, the name of the Club be changed to *"Australian Eighteen Footers Limited"* and the name of *"the Club"* in Rule 2 of the Constitution be amended accordingly to this new name but with no change to the Australian Company Number (**ACN**).

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#### **EXPLANATORY NOTES TO MEMBERS ON SPECIAL RESOLUTION**

- 1. The Special Resolution will only be considered if the Ordinary Resolution is passed.
- 2. The Special Resolution above, if passed, makes amendments to the Constitution of the Squadron to accommodate the members of the 18 Footers as members of the Squadron and to reflect other matters in the MOU which impact on the Squadron's Constitution.
- 3. If passed, all of the amendments to the Constitution of the Squadron do not take effect until the date of Completion of the Amalgamation.
- 4. The principle changes 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 were 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.
  - (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. Subject to this procedure, Life members of the 18 Footers will also become Life members of the Squadron.
- (n) 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 in addition to their substantive membership class pursuant to the Constitution of the Squadron.
- (o) 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”*
- (p) The financial year of the Club 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.
- (q) Finally, subject to the approval of ASIC, the name of the Club will be changed to “Australian Eighteen Footers Limited”.

#### **PROCEDURAL NOTES FOR SPECIAL RESOLUTION**

5. To be passed, the Special Resolution must receive votes in favour from three quarters (75%) of those members of the Squadron who, being eligible to do so, vote in person on the Special Resolution at the meeting.
6. Only Life members and financial Ordinary members are eligible to vote on the Special Resolution.
7. Under the Registered Clubs Act members who are employees of the Club are not entitled to vote and proxy voting is prohibited.
8. Amendments to the Special Resolution (other than minor typographical corrections which do not change the substance or effect of the Special Resolution or any of its parts) will not be permitted from the floor of the meeting.
9. The Board of the Squadron recommends to members to vote in favour of the Special Resolution.

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Dated: 31 Oct 2023

By direction of the Board



President - Sydney Flying Squadron