

WARRINGAH BOWLING CLUB LIMITED (ACN 000 014 219)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Warringah Bowling Club Limited (ACN 000 014 219) will be held at the premises of the Club, 74-82 Bradley's Head Road, Mosman, New South Wales on Monday, 25th November 2024 at 6.30pm.

Business

1. To confirm the minutes of the Annual General Meeting held on 25th February, 2023.
2. To receive and consider the Financial Report of the Company for the year ended 30th June 2024 and the reports by Directors and Auditor thereon.

Please Note: Members are asked to respectfully submit any questions they may have 7 days in advance of the meeting to the General Manager, so informed responses can be provided at the meeting.

3. To consider and, if thought fit, pass an Ordinary Resolution (First Ordinary Resolution set out below) relating to the conferring of training and development expenses and specified benefits on Directors of the Club.
4. To consider and, if thought fit, pass an Ordinary Resolution (Second Ordinary Resolution set out below) declaring the property of the Club at on which a Child Care Centre currently operates, to be "non core" for the purpose of section 41E of the Registered Clubs Act 1976.
5. To declare the results of the election of directors.
6. General Business: Transact any business of which due notice has been given.

First Ordinary Resolution:

- (a) That pursuant to Section 10(6A)(b) of the Registered Clubs' Act 1976, the members hereby approve in a sum not exceeding \$5000, and agree to, the members of the Board and the other persons referred to below, during the period preceding the next Annual General Meeting, receiving the following benefits:
 - (i) The right for Directors to incur reasonable expenses in traveling to and from Directors' meetings or to other constituted meetings as approved by the Board from time to time on the production of invoices, receipts or other proper documentary evidence of such expenditure;
 - (ii) The reasonable costs of Directors attending the ClubsNSW, and Club Managers' Association conferences and meetings;
 - (iii) The reasonable costs of Directors attending seminars (including training) , lectures, trade displays and other similar events as may be determined by the Board from time to time;
- (b) The members acknowledge that the benefits referred to in this Ordinary Resolution are not available to members generally but only to those members who are elected Directors of the Club referred to in the resolution.

Explanatory Message to Members regarding the First Ordinary Resolution

Section 10(1)(i) of the *Registered Clubs Act 1976* prohibits the Club from offering a benefit to any member unless it is offered equally to all members of the Club. Section 10(6A) of the *Registered Clubs Act 1976* allows a member to receive a benefit if the benefit is not in the form of money and is authorised by an ordinary resolution passed by a general meeting of the members of the Club prior to the benefit being provided.

The First Ordinary Resolution seeks the approval of the members of expenditure by the Club to cover Board members in the execution of their duties as Directors of the Club

Second Ordinary Resolution

That the ordinary members (as defined in section 4 of the Registered Clubs Act 1976) of Warringah Bowling Club Limited (Club) declare 72 Bradleys Head Road, Mosman comprising title reference Lot 2 in DP 1133881 to be "non core" property of the Club for the purpose of section 41E of the Registered Clubs Act 1976.

Explanatory Message to Members regarding the Second Ordinary Resolution

1. At the Club's Information Night on 10 September, 2024, the Board detailed to members the Club's trading and financial position, the Club's critical need to maintain the support of its Bank (Judo Bank), and the need for the Club to take a properly developed business strategy forward in the fast-changing hospitality environment for registered clubs generally, with the primary object being to ensure the Club's financial viability, including being able to repay its bank debt, and through doing that ensure the Club's continued existence for the benefit of all its members and the community in which we operate. (Details of the information provided were, and remain, posted up on the Club's website.)
2. Since then, the Board through its advisors, Campbell Advisory, has continued to work with the Bank on its review of the Club, its operations and its business strategy, with a view to executing the Board's priority option - namely, to successfully operate and to trade out of the Club's bank debt.
3. The "trading out" option includes a considered business strategy to:
 - a. increase the Club's food and beverage turnover
 - b. increase the membership base of the Club - both Bowling and Social memberships
 - c. plan for and substantially increase 'events', functions and barefoot bowls revenues
 - d. to maximise the opportunities to achieve those elements, develop and adopt a detailed marketing strategy
 - e. in the short-term, extend the Club's existing Bank debt facilities as flagged at the Information Night by ~\$550k (to ~\$2.2m), to include the carrying out of much needed capital works such as the new roof for the Clubhouse, and ensuring adequate working capital for the Club's continuing operations.
4. While that review work with the Bank continues, the Bank has made known to the Board that in order to adequately secure the Bank's lending position going forward, as a condition of its continued support of the Club and extending the Club's debt and working capital facilities, will be a requirement that the Club has declared the Child Care Centre ("CCC") as "non-core" - making that asset available for the Bank, should it become necessary, to exercise its secured lender rights in order to discharge the Club's bank debt.
5. The Board has previously declared its strong preference and intention to work hard to improve and secure the Club's financial viability through the "trading out" option, and as a result, ensuring that the Club retains the CCC and its significant non-Club-related alternative cash flow.
6. The Board recognises too that the Bank will only seek to exercise its secured lender rights over the CCC *if* the Club's trading becomes so inadequate as to be unable to service its operations and the Club's principal and interest debt obligations.
7. The Board accordingly, seeks members' support in making the "non-core" declaration as detailed in the Second Ordinary Resolution.

Section 41E Approval

Section 41E of the Registered Clubs Act and clause 19 of the Registered Clubs Regulation 2009 (NSW) (**Registered Clubs Regulation**) restrict the ability of a registered club to "dispose" of real property owned by the club without members' approval if the real property concerned is "core property".

"Dispose" of property, for the purposes of section 41E of the Registered Clubs Act, means to sell, lease or licence or otherwise deal with the property in such a manner as may be prescribed by the Registered Clubs Regulation.

Under section 41E(1), "core property" of a registered club means any real property owned or occupied by the club that comprises:

- (a) the premises of the club, or
- (b) any facility provided by the club for the use of its members and their guests, or
- (c) any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club, but does not include any property referred to in paragraphs (a)–(c) that is declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, not to be core property of the club (ie is declared to be "non core" property).

Section 41E(1) of the Registered Clubs Act requires that a Club must not dispose of any core property of the Club unless:

- (a) the property has been valued by a qualified valuer, and
- (b) the disposal has been approved at a general meeting of the ordinary members of the club at which a majority of the votes cast supported the approval, and
- (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

Whilst the Club does not currently propose to dispose of the land, the Club's new financier requires the land be made "non-core" in order to provide it with comfort that it can be sold by the financier should the Club fall into breach under the finance arrangements. Essentially, it is a conditions precedent to the funds being advanced by the financier.

Procedural Matters in Relation to the proposed Second Ordinary Resolution

The Second Ordinary Resolution is proposed in accordance with section 41E of the Registered Clubs Act 1976.

Section 41E requires the declaration of "non core" property to be by "a resolution passed by a majority of the members present at a general meeting of the ordinary members of the Club"

The words "ordinary members" of the Club is defined in section 4 of the Registered Clubs Act 1976 to mean:

"ordinary member" of a club means a person who is elected to membership of the club in accordance with the rule of the club referred to in section 30(1)(g)"

Section 30(1)(g) of the Registered Clubs Act 1976 provides that:

A person shall not be admitted as a member of the club, other than as a provisional member, honorary member or temporary member, unless the person is elected to membership at a meeting of the full members of the club or at a duly convened meeting of the governing body or election committee of the club, the names of whose members present and voting at that meeting are recorded by the secretary of the club.

In short, an "ordinary member" as referred to in section 41E and defined in section 4 of the Registered Clubs Act 1976 is any member of the Club who has been properly elected to membership of the Club. The "voting rights" contained in the Club's Constitution do not override the requirements of section 41E. Accordingly, all members of the Club, except provisional, honorary and temporary members of the Club, are permitted to attend the General Meeting and vote on the Second Ordinary Resolution.

Notes to Members

1. All Life Members, financial Bowling members, Associate Bowling Members, Card Playing Members, Social Members and Corporate Members (except employees of the Club) are entitled to vote on the Ordinary Resolutions.
2. To be passed, the Ordinary Resolutions must receive votes in their favour from not less than a majority (50%+1) of those members who being eligible to do so, vote in person at the meeting.
3. Members should read the proposed Ordinary Resolutions with the explanatory notes which explain the nature and effect of the resolution.
4. As a result of the provisions of the Corporations Act 2001, each resolution must be considered as a whole and cannot be altered by motions from the floor of the meeting.
5. Members of the Club, who are employees of the Club, cannot vote at the meeting.
6. Proxy Votes are not allowed under the *Registered Clubs Act 1976*.
7. Please direct any question or concerns about the Ordinary Resolutions to the General Manager of the Club, no later than seven (7)

Dated 1 November 2024 by order of the Board of Directors

Leo Macpherson
Chairman