

THE GREENS

— INGLEBURN BOWLING CLUB —

NOTICE TO MEMBERS UNDER CLAUSE 4(5) OF THE REGISTERED CLUBS REGULATION 2015

On 3 September 2019, Ingleburn RSL Sub-Branch Club Limited (**Ingleburn RSL**) called for expressions of interest by way of ClubsNSW Circular (No: 19-079) (**Notice**) from other registered clubs interested in pursuing and amalgamation. Ingleburn Bowling & Recreation Club Co-op Ltd (**Ingleburn Bowling**) responded to the expression of interest.

Following a lengthy period of negotiation, largely facilitated by Campbell Advisory Pty Ltd (a firm providing specialist consulting services to licensed clubs), Ingleburn Bowling and Ingleburn RSL now intend to sign a Memorandum of Understanding, with a view to amalgamating. Details of the proposed amalgamation will shortly be given to members in accordance with the *Registered Clubs Act 1976* (NSW) and *Registered Clubs Regulation 2015* (NSW). The proposed amalgamation will be subject to various conditions being satisfied, including the approval of members of each club.

Unsolicited amalgamation/merger offers

Clause 4(5) of the *Registered Clubs Regulation 2015* (NSW), requires that if a registered club that has received an expression of interest in an amalgamation or an unsolicited merger offer decides to proceed with the proposed amalgamation, the club must, before it enters into a memorandum of understanding, notify the ordinary members of the club. Ingleburn Bowling is of the view that clause 4(5) does not apply to it. However, in the interests of transparency, Ingleburn Bowling makes the following disclosures.

Subsequent to Ingleburn Bowling submitting its expression of interest to Ingleburn RSL, Ingleburn Bowling received an unsolicited amalgamation offer from Western Suburbs Leagues Club (Campbelltown) Ltd (**Wests**).

Following negotiations between the various parties, a comparison of the fundamental terms of the offers from Ingleburn RSL and Wests are outlined in the table below.

		INGLEBURN RSL	WESTS
1	Trading Guarantee	10 years	5 years
2	Post Guarantee Period	Trade to continue if IBC cash flow positive	Hurdle of 15% EBITDARD to be achieved annually
3	Bowls Support	\$60,000 per annum plus provision of Bowls Co-Ordinator	No specified financial support other than \$100 per annum to be made available to Bowling members for food & beverage annually
4	Greens	3 greens for a minimum of 12 months and 2 thereafter	2 greens
5	Capital Commitment	\$6.780 Million over 10 year term inclusive of building, gaming, promotions and marketing	\$3 Million over 5 years inclusive of building, gaming, promotions and marketing
6	Staff Maintained and Entitlements Honoured	Yes	Yes
7	Financial Capacity to Meet Obligations under MOU	Yes	Yes
8	Amalgamation Experience	No	Yes

Dated: 19 December 2019

For and on behalf of the Board

Yours sincerely.

Anton Dworzak BEng, MBA FMVA
Acting Secretary Manager