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OVER **150** YEARS OF SERVICE

MEMORANDUM OF UNDERSTANDING

DATED 25 JUNE 2024

PARTIES

DOYALSON-WYEE RSL CLUB LTD
ABN 69 000 985 008

AND

NORTHMEAD BOWLING, RECREATION AND SPORTING CLUB
LIMITED
ABN 34 001 068 275

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under Professional Standards Legislation
ABN 62 680 297 642

Associated Firm - Melbourne Member Firm

Date 25 June 2024

Parties

Name **DOYALSON-WYEE RSL CLUB LTD**
ABN **69 000 985 008**
Short form name **Doyalson**
Notice details Darren Thornton
Chief Executive Officer
Pacific Highway,
Doyalson NSW 2262
Email: darrent@doylo.com.au

Name **NORTHMEAD BOWLING, RECREATION AND SPORTING CLUB LIMITED**
ABN **34 001 068 275**
Short form name **Northmead**
Notice details Peter Swaby
General Manager 166 Windsor Road,
Northmead NSW 2152
Email: pswaby@nbcsportsclub.com.au

together "the Parties" or separately "a Party"

RECITALS

- (A) Northmead and Doyalson both operate registered clubs in NSW pursuant to Club Licences.
- (B) Northmead called for expressions of interest (**EOI**) from other registered clubs interested in amalgamation by causing to be issued by ClubsNSW Circular 24-007 on 24 January 2024 on the basis of Northmead being the dissolving club in any such amalgamation.
- (C) Doyalson lodged an EOI.
- (D) The parties have had discussions and negotiations on a possible amalgamation.
- (E) The parties now propose to amalgamate the two Clubs (subject to the approval of the Authority and subject to the terms of this Memorandum) in accordance with the provisions of this Memorandum, the RCA, the Regulations, the Liquor Act and the Corporations Act.

OPERATIVE SECTION

1 INTERPRETATION

1.1 In this Memorandum, unless the context otherwise requires:

Amalgamated Club	means the amalgamated registered club from the amalgamation of Doyalson and Northmead.
Amalgamation	means an amalgamation between Doyalson and Northmead pursuant to the Registered Clubs Act and the Liquor Act.
Amalgamation Application	means the provisional application for the transfer of Northmead Liquor Licence to Doyalson pursuant to sections 60(6) and (7) of the Liquor Act to be made by the Clubs.
Assets	means all of the goodwill, land, personal property, equipment, stock, intellectual property, gaming machine entitlements, gaming machines and all other property, tangible or intangible, belonging to Northmead at the time of Completion of the Amalgamation.
Authority	means the Independent Liquor and Gaming Authority.
Authorisation	includes any consent, authorisation, registration, lodgement, agreement, notarisation, certificate, licence, approval or exemption prescribed by law or regulation or required by any Government Agency.
Business Day	means any day (other than a Saturday, Sunday or public holiday) on which banks are open for general business in Sydney, New South Wales
Claim	means any claim, notice, demand, debt, account, action, expense, cost, lien, liability proceeding, litigation, investigation or judgement of any nature, whether known or unknown.
Clubs	means Doyalson and Northmead.
Completion of the Amalgamation	means the day on which: <ul style="list-style-type: none">(i) the Final Order is granted and Northmead's Liquor Licence is transferred to Doyalson;(ii) the Assets, Debts and Liabilities of Northmead are transferred to Doyalson, as referred to in clause 16.1;(iii) Northmead members become members of Doyalson; and(iv) the Amalgamated Club takes over responsibility for the management and control of the Northmead

Premises.

Confidential Information	means all information relating to a party, its business, employees or suppliers which is or might reasonably be considered by the other party to be confidential and which is not in the public domain, including but not limited to all correspondence by letter and/or electronic mail, compact discs, digital video discs, USB sticks, all financial data and information relating to a party, business plans, unpublished financial accounts, data and reports, supply lists and information relating to the business of a party's suppliers.
Corporations Act	means the Corporations Act 2001 (Commonwealth), and the Regulations made thereunder.
Debts	means the accumulated debts of Northmead at the time of Completion of the Amalgamation
Doyalson CEO	means the individual who fulfills the role of secretary and chief executive officer at Doyalson.
Doyalson Premises	means the premises of Doyalson located at 80 Pacific Highway Doyalson NSW 2262
EBITDA	means earnings before interest, taxation, depreciation and amortisation
Final Order	means the final order pursuant to section 60(8) of the Liquor Act by the Authority whereby the Northmead Liquor Licence will be transferred to Doyalson.
Gaming Machines Act	means the Gaming Machines Act 2001 (NSW) and the Regulations made thereunder.
Liabilities	means all liabilities, losses, damages, outgoings, costs and expenses of Northmead (whatever description) at the time of Final Order.
Liquor Act	means Liquor Act NSW 2007.
Liquor Licence	means the Club Licence held by Northmead pursuant to the Liquor Act 2007.
MOU	means this MOU.
Northmead Land	means the land owned by Northmead.
Northmead Premises	means the premises of Northmead located at 166 Windsor Road Northmead NSW 2152
Northmead Advisory Committee	means the committee referred to in clause 5.7.

Order	means the conditional grant of the Amalgamation Application by the Authority pursuant to section 60(7) of the Liquor Act.
Records	means all original and copy records, sales brochures and catalogues, lists of clients, documents, books, files, accounts, plans and correspondence belonging to or used by Northmead in the conduct of its Business including but not limited to corporate, accounting and statutory records.
Regulations	mean the Regulations to the RCA.
RCA	means the Registered Clubs Act 1976 (NSW) and the Regulations made thereunder.

1.2 In this MOU, including the Recitals, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a person includes a natural person, body corporate, firm, partnership, joint venture, association, unincorporated body, authority, trust, state or government;
- (c) a reference to any gender includes all genders;
- (d) a reference to a recital, clause, schedule or annexure is to a recital, clause, schedule or annexure of or to this MOU;
- (e) a schedule or annexure forms part of this MOU;
- (f) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented, varied or replaced from time to time;
- (g) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of or any legislative provision substituted for, and any subordinate legislation under, that legislation or legislative provision
- (h) a reference to any party to this MOU or any other document or arrangement includes that party's executors, administrators, substitutes, successors and permitted assigns;
- (i) the words 'includes' and 'including' are not words of limitation;
- (j) headings are for convenience only and do not affect interpretation;
- (k) a reference to dollars or \$ is to Australian currency;
- (l) a reference to conduct includes any omission and any statement or undertaking, whether or not in writing;
- (m) where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

- 1.3 No provision of this MOU will be construed adversely to a party solely on the ground that the party was responsible for the preparing of this MOU or that provision.
- 1.4 If the day on or by which something is required to be done or may be done is not a Business Day, that thing must be done on or by the next Business Day.

2. EACH CLUB'S POSITION REGARDING THE PROPOSED AMALGAMATION

- 2.1 Doyalson and Northmead agree to amalgamate in accordance with this MOU, the RCA, the Regulations, the Liquor Act and the Corporations Act.
- 2.2 The Amalgamation is intended to preserve and where possible enhance the existing facilities and amenities of both Clubs.
- 2.3 The Amalgamation will be effected by the continuation of Doyalson and the dissolution of Northmead.

Due Diligence

- 2.4 Following execution of this MOU, Doyalson may, at its own expense, undertake a due diligence review of Northmead.
- 2.5 Northmead will, if required by Doyalson, provide information (including, but not limited to, details of Assets, Debts and Liabilities) and assistance to Doyalson in order for Doyalson to properly carry out and complete the due diligence review.
- 2.6 Subject to clause 2.10, Doyalson may terminate this Memorandum and the Amalgamation if it is not satisfied in its absolute discretion with its due diligence review.
- 2.7 Following execution of this MOU, Northmead may, at its own expense, undertake a due diligence review of Doyalson.
- 2.8 Doyalson will, if required by Northmead, provide information (including, but not limited to, details of its assets, debts and liabilities) and assistance to Northmead in order for Northmead to properly carry out and complete the due diligence review.
- 2.9 Subject to clause 2.10, Northmead may terminate this Memorandum and the Amalgamation if it is not satisfied in its absolute discretion with its due diligence review.
- 2.10 Both clubs must complete the due diligence by 5pm on the day which is 14 days after the date of this Memorandum and neither Club can terminate this Memorandum or the Amalgamation pursuant to clauses 2.6 or 2.9 after that time.

Process for Amalgamation

- 2.11 The process for the Amalgamation will be as follows:
- (a) The Clubs enter into this MOU.
 - (b) The members of Doyalson and Northmead will be asked to approve the Amalgamation at separate general meetings of the ordinary members of each Club. These meetings will be called and held in the manner referred to in clause 13.

- (c) The members of Doyalson will also be asked to approve (by special resolution) amendments to Doyalson's Constitution at the general meeting held to approve the Amalgamation in the manner provided for in clause 13.5.
- (d) Once the approvals in clauses 2.4 (b) and (c) have been obtained, the Amalgamation Application will then be made to the Authority in the manner referred to in clause 14.
- (e) After the Amalgamation Application is granted and on the date of the Final Order:
 - (i) the Assets, Debts and Liabilities will be transferred to Doyalson in the manner referred to in clause 16;
 - (ii) all members of Northmead will, with their consent, be admitted as members of Doyalson and will be identified as a separate class of ordinary membership called "Northmead Club members"; and
 - (iii) all employees of Northmead will be offered employment with Doyalson, and if they accept, will be employed by Doyalson. This will occur in accordance with the procedure set out in clause 6.
- (f) After Completion of the Amalgamation, Doyalson will continue as the body corporate of the Amalgamated Club.
- (g) From Completion of the Amalgamation, the Northmead Premises will become additional licensed premises of Doyalson and will be available to all members of the Amalgamated Club.
- (h) The Northmead Premises will be operated in the manner set out in clauses 3, 4 and 5.
- (i) After Completion of the Amalgamation, Northmead will be liquidated in the manner referred to in clause 16.

3. THE MANNER IN WHICH THE PREMISES AND OTHER FACILITIES OF NORTHMEAD WILL BE MANAGED AND THE DEGREE OF AUTONOMY THAT WILL BE PERMITTED IN THE MANAGEMENT OF NORTHMEAD PREMISES AND FACILITIES
[Regulations – Clause 7(2) (a)]

- 3.1 The Northmead Premises and facilities will become premises of Doyalson as the surviving club in the Amalgamation.
- 3.2 The Amalgamated Club will operate and trade from the Doyalson Premises, Doyalson's Sporties premises at Summerland Point and the Northmead Premises.
- 3.3 For the purposes of the RCA, the Doyalson CEO will be the Secretary and Chief Executive Officer of the Amalgamated Club.
- 3.4 The Board of Doyalson will be the Board of the Amalgamated Club.
- 3.5 The Amalgamated Club will take over responsibility and control of the Northmead Premises with effect from Completion of the Amalgamation.

4. **A LIST OF THE TRADITIONS, AMENITIES AND COMMUNITY SUPPORT THAT WILL BE PRESERVED OR CONTINUED BY THE AMALGAMATED CLUB**
[Regulations - Clause 7(2) (b)]

- 4.1 The traditions, amenities, culture and memorabilia of Northmead will be maintained by the Amalgamated Club at the Northmead Premises.
- 4.2 The Amalgamated Club will continue to participate in the Club Grants Scheme in relation to the Northmead Premises.
- 4.3 The Amalgamated Club will maintain Northmead's honour rolls, and create a memorabilia display in a suitable location at the Northmead Premises.

5. **INTENTIONS REGARDING THE FUTURE DIRECTION OF THE AMALGAMATED CLUB**
[Regulations - Clause 7(2) (c)]

- 5.1 The future direction of the Amalgamated Club will be subject to the overall strategic plan of the Amalgamated Club and its finances. However, the Amalgamated Club will operate the Northmead Premises in accordance with this clause 5.

Amalgamated Club Premises

- 5.2 The Amalgamated Club will operate and trade from the Doyalson Premises, the Doyalson Sporties Premises at Summerland Point and the Northmead Premises.

Northmead Premises

- 5.3 Northmead Premises will be named and promoted as NBC Sports Club or any other name agreed to by the Clubs.

- 5.4 Following Completion of the Amalgamation Doyalson will:

- (a) review and update the gaming machines and product at the Northmead Premises to ensure market relevant products and services are provided.

- (b) provide new gaming machine bases and stools.

- (c) subject to 5.5 within 12 months of Completion of the Amalgamation, Doyalson will have settled on a concept masterplan for the Northmead Premises for the future growth and improvement of the venue. The masterplan works, subject to obtaining all required approvals, will be a minimum development spend of \$5,500,000.00 (excluding GST) and may include:

PT
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- (i) relocation of the existing play area and provide all-weather cover for this area.

- (ii) a new deck with roof, railings, and ability to enclose.

- (iii) provide a synthetic green with an all weather roof structure.

- (iv) provision of outdoor toilet amenities for both bowling greens and the area currently known as the kid's backyard.

- (v) male and Female amenities within the existing premises.

- (vi) relocation of the existing locker areas with these areas to be upgraded to a multi-use function area.
 - (vii) resurfacing the car park.
 - (d) as part of the process of developing the masterplan, determine what immediate renovation and upgrading works can take place within the first 12 months from Completion of the Amalgamation;
 - (e) seek to enhance the social facilities, amenities and activities at Northmead Premises.
 - (f) Maintain, and where possible, enhance the existing facilities and activities at Northmead Premises.
 - (g) make improvements to the clubhouse and surrounds at the Northmead Premises in order to provide superior facilities and food offerings.
- 5.5 If Doyalson has not settled on a plan under clause 5,4(c) within 12 months of Completion of the Amalgamation, it must have spent \$1,500,000 (excluding GST) on development works for the future growth and improvement of the venue within that time..
- 5.6 The Amalgamated Club will continue to provide 2 bowling greens at the Northmead Premises while trading from those premises and while needed to meet demand for bowling at those premises.

Advisory Committee

- 5.7 The Board of the Amalgamated Club will within one month of the Completion of the Amalgamation create an Advisory Committee in respect of the Northmead Premises and the following shall apply in respect of the Committee:
- (a) The Committee will initially comprise the members of Northmead who are directors of Northmead as at the date the last club holds a general meeting to approve the amalgamation who accept the invitation to join the Advisory Committee.
 - (b) The President of Northmead at the Completion of the Amalgamation will be the initial chair of the Advisory Committee.
 - (c) The Advisory Committee will exist for the first three years from Completion of the Amalgamation.
 - (d) The Advisory Committee may make recommendations to the Board and/or management of the Amalgamated Club regarding the Amalgamated Club's operations at the Northmead Premises.
 - (e) The Advisory Committee:
 - (i) will not have any governance or management powers in the Amalgamated Club (except if specifically delegated to it by resolution of the Board) and it shall be subject to the overall control and direction of the Board and management of the Amalgamated Club; and

- (ii) will be required to provide reports to the Board of the Amalgamated Club.
- (f) The Board of the Amalgamated Club will propose resolutions at the Annual General Meetings while the Advisory Committee exists for members to approve an honorarium for members of the Advisory Committee.
- (g) Subject to the approval of the Amalgamated Club, the Advisory Committee can adopt a name such as "NBC Sports Club Committee".

Board of Directors

- 5.8 For the first three years from Completion of the Amalgamation, the Board of the Amalgamated Club will be increased by 1 position, to form a Board of 6 members and appoint one member of the Advisory Committee to that position. Subject to any requirements of the Board of the Amalgamated Club to physically attend a meeting at the Doyalson Premises, the director so appointed will be able to attend Board meetings by audio visual means.
- 5.9 After 3 years from Completion of the Amalgamation, the Board of the Amalgamated Club will return to 5 directors and the rights of Northmead members can stand for election to the Board will be determined in accordance with the Amalgamated Club's Constitution.

Sub clubs

- 5.10 In relation to the sub clubs operating at Northmead at the date of this Memorandum, Doyalson agrees that they can subject to the overall supervision and oversight by the Amalgamated Club while the Amalgamated Club continues to trade from the Northmead Premises:
- (a) retain their own constitutions, by-laws, committees and members;
 - (b) retain committees elected by members of each sub-club;
 - (c) are authorised to operate their own bank account;
 - (d) continue using their existing names.
 - (e) continue using insignia of Northmead.
- 5.11 Subject to obtaining the approval of members of the Amalgamated Club in accordance with the RCA, the Amalgamated Club will for bowlers at the Northmead premises:
- (a) reduce the green fees paid to play bowls to \$10 (GST inclusive) per game for 2 years from Completion of the Amalgamation;
 - (b) pay the capitation fees to belong to the zone, district and State bowling associations for 2 years from Completion of the Amalgamation;
 - (c) reduce the annual subscription for membership of the Club for bowling members by 50% from the rates charged as at the date of this MOU for 2 years from Completion of the Amalgamation;

- (d) provide 1 uniform within 3 years from Completion of the Amalgamation.
 - (e) pay at least \$50,000 (excluding GST) per annum for at least 8 years from Completion of the Amalgamation in relation to bowling pennants competitions.
- 5.12 Doyalson will honour membership subscriptions paid in advance by members of Northmead, as if those payments had been made to Doyalson.
- 5.13 Doyalson will spend a minimum of \$90,000 (excluding GST if GST is applicable) per annum for the coordination, management, and promotion of Bowls at Northmead.

Contracts

- 5.14 The parties will seek to have the contracts entered into by Northmead as at the date of this MOU for greenkeeping, catering and gaming machine servicing assigned to Doyalson on Completion of the Amalgamation.
- 5.15 The parties will seek to have other contracts entered into by Northmead as at the date of this MOU assigned to Doyalson on Completion of the Amalgamation subject to Doyalson completing a review of those contracts and nominating which contracts it wishes to be assigned.

6. THE EXTENT TO WHICH THE EMPLOYEES OF THE AMALGAMATED CLUB WILL BE PROTECTED **[Regulations – Clause 7(2) (d)]**

- 6.1 As part of the Amalgamation, Northmead will be wound up/liquidated and as part of the winding up/liquidation of Northmead, the employment of all Northmead's employees would, if not for this clause 6, come to an end.
- 6.2 Prior to Completion of the Amalgamation:
- (a) Doyalson will offer employment to all Northmead's employees employed as at the Completion of Amalgamation.
 - (b) the offers of employment will be effective from the Completion of the Amalgamation and will be on the same terms and conditions presently offered by Doyalson to employees of Doyalson provided that it does not result in any employee of Northmead receiving lesser benefits than they presently receive from Northmead.
 - (c) any employee of Northmead who accepts the offer of employment with Doyalson will receive continuity of employment and their accrued entitlements will be honoured by Doyalson.
 - (d) any employee of Northmead who does not accept the offer of employment with Doyalson will be paid their full entitlements (funded by Doyalson when their employment with Northmead comes to an end).
- 6.3 The Northmead CEO will be appointed as the manager of the Northmead Premises by the Amalgamated Club from Completion of the Amalgamation.
- 6.4 Employees of Northmead who transfer employment to Doyalson will have access to the benefits provided to employees of Doyalson offered from time to time which at the date of this Memorandum include the following:

- (a) Employee assistance program.
- (b) Check 5 Wellness Program.
- (c) Paid community Volunteering days
- (d) Discounted meal whilst at work.
- (e) Birthday and Tenure milestone recognition.
- (f) Paid Training.
- (g) Complimentary smoking cessation program.
- (h) Professional development programs.

7. INTENTIONS REGARDING THE FOLLOWING ASSETS OF NORTHMEAD:

- 1. ANY CORE PROPERTY;
- 2. ANY CASH OR INVESTMENTS;
- 3. ANY GAMING MACHINE ENTITLEMENTS

[Regulations – Clause 7(2) (e)]

Core Property

- 7.1 For the purposes of the RCA, the Northmead Premises is the “core property” of Northmead.
- 7.2 Subject to other provisions of this MOU, the Amalgamated Club will retain the core property of Northmead and operate the Amalgamated Club in the manner referred to in clause 5 for a period of at least 10 years from Completion of the Amalgamation.

Cash and Investments

- 7.3 The cash and investments (if any) of Northmead will be transferred (in accordance with clause 16) to the general reserves of the Amalgamated Club.

Gaming Machine Entitlements

- 7.4 As at the date of this MOU, Northmead has 48 gaming machine entitlements issued to the Premises.
- 7.5 Doyalson intends to review the gaming machine entitlements at the Northmead Premises and determine the appropriate number required at the Northmead Premises which shall not be less than forty eight (48) gaming machine entitlements and gaming machines. If, as part of the review, Doyalson determines that the Northmead Premises requires more gaming machine entitlements, Doyalson, may look to adjust the number of gaming machine entitlements subject to obtaining all required approvals and consents.

8. RISKS OF NOT PRESERVING NORTHMEAD’S CORE PROPERTY AND HOW THOSE RISKS ARE TO BE ADDRESSED

[Regulations – Clause 7(2) (e1)]

- 8.1 Subject to clauses 9, 10 and 11, the Amalgamated Club will not dispose of the core property Northmead during the first 10 years after Completion of the Amalgamation.

8.2 The risks of the Amalgamated Club not meeting the intentions of the parties in preserving the core property Northmead are those set out in clause 10.4.

9. DISPOSAL OF NORTHMEAD MAJOR ASSETS
[Regulations – Clause 7(2) (e2)]

9.1 For the purposes of the RCA, the Northmead Premises are the “core property” of Northmead.

9.2 Subject to clauses 10 and 11 of this Memorandum, the Amalgamated Club will not dispose of the major assets of Northmead during the first 10 years after Completion of the Amalgamation.

10. THE CIRCUMSTANCES THAT WOULD PERMIT THE AMALGAMATED CLUB TO CEASE TRADING IN THE PREMISES OF NORTHMEAD OR TO SUBSTANTIALLY CHANGE THE OBJECTS NORTHMEAD
[Regulations – Clause 7(2) (f)]

10.1 The Amalgamated Club does not intend to:

- (a) cease trading from the Northmead Premises; or
- (b) substantially change the objects of Northmead.

10.2 The Amalgamated Club intends to operate the Northmead premises in the manner referred to in clause 5.

10.3 However, for the purposes of clause 7(2)(f) of the Regulations, Doyalson and Northmead are required to agree to the matters set out in clause 10.4.

10.4 For the purposes of clause 7(2)(f) of the Regulations, Doyalson and Northmead have agreed that the Amalgamated Club would not cease trading from nor change the objects of the Northmead Premises except in any of the following circumstances:

- (a) After 10 years from the Completion of the Amalgamation if the Northmead Premises were not financially viable.
- (b) Upon the order of any Court or body with jurisdiction to administer the laws in relation to liquor, gaming and registered clubs provided the order has not been sought by the Amalgamated Club .
- (c) Upon the lawful order of any government authority provided the order has not been sought by the Amalgamated Club .
- (d) If the Northmead Premises is destroyed or partially destroyed by fire, floods, storms etc such that it is not lawful for a licensed premises/clubhouse to be operated at that site and any resulting insurance claim is not sufficient to re-instate or re-build licensed premises/clubhouse at that site.

10.5 For the purposes of clauses 10 and 11 the Northmead Premises will not be financially viable if, in any two consecutive 12 month periods the EBITDA percentage for the Northmead Premises is less than ten per cent (10%).

10.6 The Amalgamated Club must prepare separate financial reports for each of its premises after Completion of the Amalgamation.

10.7 If the Northmead Premises is not financially viable as determined for the purposes of clause 10 and 11, the Amalgamated Club may in its sole discretion consider a de-amalgamation of the Northmead Premises with subsequent amalgamation with another registered club.

11. AN AGREED PERIOD OF TIME BEFORE THE AMALGAMATED CLUB WILL CEASE TRADING FROM NORTHMEAD PREMISES OR SUBSTANTIALLY CHANGE THE OBJECTS NORTHMEAD
[Regulations – Clause 7(2) (g)]

11.1 The Amalgamated Club does not intend to cease trading from the Northmead Premises. The Amalgamated Club intends to operate the Northmead Premises in the manner referred to in clause 5 and would only cease to do so in the circumstances referred to in clauses 9 and 10.

11.2 The objects of the Amalgamated Club will be the objects of Doyalson with effect from Completion of the Amalgamation.

11.3 However, for the purposes of clause 7(2)(g) of the Regulations, Doyalson and Northmead are required to agree to the matters set out in clause 11.4.

11.4 For the purposes of clause 7(2)(g) of the Regulations, Doyalson and Northmead have agreed that the Amalgamated Club will continue to trade from the Northmead Premises for at least 10 years from Completion of the Amalgamation.

12. BINDING EFFECT OF MEMORANDUM

The Clubs agree that this MOU is binding on them and for that purpose is executed as a Deed.

13. CALLING OF MEETINGS AND ADMISSION OF NORTHMEAD MEMBERS TO MEMBERSHIP OF DOYALSON

13.1 Northmead will call a general meeting of the ordinary members of Northmead for the purposes of considering and if thought fit passing a resolution approving in principle the Amalgamation in accordance with section 17AEB (d) of the RCA.

13.2 The meeting referred to in clause 13.1 must be held as soon as reasonably practicable after the date of this MOU.

13.3 If the resolution referred to in clause 13.1 is passed, Doyalson will call a general meeting of the ordinary members of Doyalson for the purposes of considering and if thought fit passing a resolution approving in principle the Amalgamation in accordance with section 17AEB (d) of the RCA.

13.4 The meeting referred to in clause 13.3 will be held as soon as reasonably practicable after the general meeting referred to in clause 13.1 is held.

13.5 In addition to the resolution referred to in clause 13.3, Doyalson will, at the meeting referred to in clause 13.3, submit to those members eligible to attend and vote one or more Special Resolutions to amend the Constitution of Doyalson as follows:

(a) All members of Northmead who apply to become members of Doyalson will be admitted to membership of Doyalson.

- (b) All members of Northmead will be able to apply for membership of Doyalson in the manner referred to in this clause 13.5.
- (c) As soon as practicable after the Order, Doyalson will forward to each member of Northmead, who is not already a member of Doyalson, a written invitation to become a member of Doyalson.
- (d) Any member of Northmead who accepts the invitation and agrees in writing to be bound by the Constitution of Doyalson will (subject to the name of that person being displayed on the noticeboard of Doyalson for not less than 7 days and a period of not less than 14 days elapsing after the receipt of the acceptance by Doyalson) be elected by a resolution of the Board of Doyalson to membership of Doyalson with effect from the date of Completion of the Amalgamation.
- (e) Northmead's members who are admitted to membership of Doyalson will be identified as a separate class of ordinary membership called the "Northmead Club Members" but may transfer to any other class of membership of Doyalson for which they are eligible to join.
- (f) Any person who, at Completion of the Amalgamation, is a Life member of Northmead is to be admitted to Life membership of Doyalson, with Doyalson's Constitution to be amended for Life members to be admitted under this clause.

13.6 Notwithstanding anything contained in this MOU, any member of Northmead who, at Completion of the Amalgamation, is then:

- (a) refused admission to or being turned out of Doyalson Premises; or
- (b) suspended from Doyalson pursuant to Doyalson's Constitution; or
- (c) expelled from Doyalson pursuant to Doyalson's Constitution;

shall not be entitled to attend at and use the facilities of any of the Amalgamated Club's Premises the until such time as:

- (d) the person is again permitted to enter the Doyalson Premises; or
- (e) the period of suspension has been served; or
- (f) the Board of the Amalgamated Club has overturned the person's expulsion from Doyalson.

14. AMALGAMATION APPLICATION TO THE INDEPENDENT LIQUOR AND GAMING AUTHORITY

14.1 Doyalson and its lawyers will prepare and file the Amalgamation Application.

14.2 Northmead will co-operate with Doyalson and its lawyers and will provide all documents and information reasonably required for the preparation, lodgement and finalisation of the Amalgamation Application.

15. WARRANTIES AND OPERATIONAL ARRANGEMENTS

15.1 Northmead warrants to Doyalson that from the date of this Memorandum to the date of Completion of the Amalgamation, Northmead will, subject to clause 15.2:

- (a) carry on its business in the usual ordinary course and in a diligent manner and will not incur any single debt or liability (including, but not limited to, the purchase of any capital equipment) over the sum of \$1,000.00 plus GST without the prior approval of Doyalson;
- (b) maintain the Assets of Northmead in the same state of repair as they are at the date of this MOU, subject to reasonable wear and tear, and keep the Assets of Northmead insured in amounts representing their full replacement or reinstatement value against fire and other risks normally insured;
- (c) carry on its operations with normal and prudent practice using reasonable endeavours to reduce losses and increase profitability and use reasonable endeavours to maintain and increase the value of the Assets;
- (d) provide Doyalson's CEO each week (or at such other times as requested) any details or documents relating to the operation and financial position of Northmead;
- (e) not do anything which may damage the goodwill of its business or that of Doyalson;
- (f) not without the prior written consent of Doyalson's CEO or the CEO's delegate:
 - (i) enter into, terminate or alter any term of any contract, arrangement or understanding including any lease, licence or easement in relation to Northmead's operations or otherwise;
 - (ii) except in the usual and routine conduct of its trading operations in conformity with and in the manner of recent times, incur any actual or contingent liabilities whether in relation to those operations or otherwise;
 - (iii) dispose of, agree to dispose of, encumber or grant an option over, or grant any interest in any of Northmead's Assets;
 - (iv) employ any employee (other than a casual employee);
 - (v) terminate the employment of any employee (other than a casual employee);
 - (vi) alter the terms of employment (including the terms of remuneration and or superannuation or any other benefit) of any employee apart from any changes required by an industrial award;
 - (vii) seek to borrow or borrow money from any third party;
 - (viii) increase the level of debt of Northmead beyond that existing as at the date of this MOU other than any debt incurred in the normal day to day trading of Northmead; or

- (ix) engage in discussions or negotiations with anyone other than Doyalson concerning the sale of all or any part of Northmead's Assets (otherwise than as permitted under (iii) above), and Northmead must advise Doyalson of any solicitation by any third party in respect of any such discussion or negotiation.
- 15.2 Doyalson warrants to Northmead that it will carry on its business in the usual ordinary course and in a diligent manner and in accordance with applicable legislation.
- 15.3 Each of Northmead's warranties contained in clause 15.1 remains in full force and effect notwithstanding Completion of the Amalgamation.
- 15.4 If, before Completion of the Amalgamation, an event occurs which has or may have a material effect on the profitability of the Northmead premises or value of any of the Assets an event occurs which makes any warranty, untrue or misleading, Northmead must promptly on becoming aware of the circumstances, give notice to Doyalson describing the circumstances.
- 15.5 Without limiting its other rights, and notwithstanding any other provision of this MOU, either Club may terminate this MOU and the Amalgamation at any time prior to Completion of the Amalgamation if there is any material breach of any warranties given as set out in clause 15.1.
- 15.6 Doyalson's CEO and Northmead's CEO will have regular discussions about the management and operations of the Amalgamated Club with the object of:
 - (a) providing for an orderly transfer of the management and operations of Northmead to Doyalson on the date of Completion of the Amalgamation; and
 - (b) achieving efficiencies and cost savings; and
 - (c) implementing operational changes in preparation for Completion of the Amalgamation.
- 15.7 If, before Completion of the Amalgamation, in relation to either of the Clubs (the subject Club):
 - (a) an event occurs which has or may have a material effect on the profitability of the premises or value of any of the assets of the subject Club;
 - (b) any Claim of any nature is threatened or asserted by or against the subject Club; or
 - (c) there is any material adverse change in the condition (financial or otherwise) or prospects of the subject Club or of its operations,then the subject Club must promptly on becoming aware of the circumstances, give notice to the other Club fully describing the circumstances.
- 15.8 Title to, property in and risk of Northmead's Assets will remain solely with Northmead until such time as the Northmead's Assets are transferred to the Amalgamated Club in accordance with clause 16.

16. DISSOLUTION OF NORTHMEAD AND TRANSFER OF ITS ASSETS, DEBTS AND LIABILITIES TO DOYALSON

- 16.1 As soon as practicable after the Order, but subject to the Final Order, Northmead must ensure the Assets, Debts and Liabilities of Northmead are transferred to Doyalson (less an amount sufficient for the purposes of any liquidation of Northmead).
- 16.2 The parties acknowledge that it is proposed for the transfer of the Assets, Debts, Liabilities (if required) referred to in clause 16.1 to occur on the date of the Final Order.
- 16.3 For the purposes of clause 16.1, Northmead must do all things necessary and execute all documents to cause all of the Assets of Northmead to be transferred to or assigned to Doyalson with effect from the date of Final Order. Such transfers and assignments will without limitation be in respect of:
- (a) all gaming machines and all gaming machine entitlements;
 - (b) all contract rights including hire purchase agreements;
 - (c) all intellectual property rights;
 - (d) all physical assets, furniture and fittings and stock in trade, owned or entered into by Northmead.
- 16.4 The transfers and assignments referred to in clause 16.3 must be executed by Northmead and held in escrow by Doyalson pending Completion of the Amalgamation.
- 16.5 As soon as practicable after Completion of the Amalgamation, Northmead must ensure Northmead is either voluntarily deregistered or liquidated.
- 16.6 Each of the parties warrant to the other it will co-operate with the other and their respective advisors, and provide all documents and information reasonably required, for the preparation, lodgement and finalisation of the matters referred to in this clause 16.

17. ACCESS TO RECORDS

- 17.1 From the date of this Memorandum, Northmead will provide to Doyalson at all reasonable times, access to Northmead's Premises, Records and other information and material reasonably required by Doyalson for the purposes of the Amalgamation.
- 17.2 From the date of this Memorandum, Doyalson will provide to Northmead at all reasonable times, access to Doyalson's Records and other information and material reasonably required by Northmead for the purposes of the Amalgamation.

18. CONFIDENTIALITY

- 18.1 A party must not without the prior written approval of the other disclose the other party's Confidential Information.
- 18.2 Each party must take all reasonable steps to ensure its employees and agents, subcontractors and consultants do not disclose or make public the other parties' Confidential Information.
- 18.3 A party must on demand return to the other any documents supplied by the other in connection with this MOU.
- 18.4 This clause 18 survives completion of this MOU.

19. RESOLUTION OF DISPUTES ARISING UNDER THIS MEMORANDUM

- 19.1 A party must not commence any Court or arbitration proceedings relating to a dispute unless it complies with this clause.
- 19.2 A party claiming a dispute has arisen under or in relation to this Memorandum or the Amalgamation process must give written notice to the other party specifying the nature of the dispute.
- 19.3 On receipt of that notice by the other party the parties must endeavour in good faith to resolve the dispute expeditiously using informal dispute resolution techniques, such as mediation, expert evaluation or expert determination or other techniques as may be agreed by them.
- 19.4 If the parties do not within 7 days of the receipt of the notice referred to in clause 19.2 or any extended period agreed in writing between the parties as to:
- (a) the dispute resolution technique or procedures to be adopted;
 - (b) the timetable for steps in those procedures; and
 - (c) the selection and compensation of an independent person required for such dispute resolution technique or procedures,

the parties must mediate the dispute in accordance with the mediation rules of the Law Society of New South Wales. The parties must request the President of the Law Society of New South Wales or the President's nominee to select the mediator and determine the mediator's remuneration.

- 19.5 If the dispute is not resolved within 28 days after notice is given under clause 19.2, a party which has complied with the provisions of this clause 19 may by written notice to the other terminate any dispute resolution process undertaken pursuant to this clause and may then refer the dispute to arbitration or commence Court proceedings in relation to the dispute.
- 19.6 The parties acknowledge the purpose of any exchange of information or documents or the making of any offer of settlement pursuant to this clause 19 is to settle the dispute concerned. Neither party may use any information or documents obtained through any dispute resolution process undertaken pursuant to this clause for any purpose other than in an attempt to settle the dispute.

20. COSTS

Each party shall pay its own costs arising out of and incidental to the preparation, execution and completion of this MOU.

21. STAMP DUTY

21.1 The parties acknowledge that section 65(3) of the *Duties Act (NSW)* provides no duty is chargeable on a transfer of dutiable property to give effect to an amalgamation of two registered clubs provided such information and documents as the Chief Commissioner of Revenue NSW requires are provided.

21.2 Despite the exemption from duty referred to in clause 21.1, the parties agree that any duty payable by either party to bring into effect the provisions of this Memorandum shall be paid by Doyalson.

22. GENERAL

22.1 This MOU constitutes the whole and entire agreement between the parties and any warranty, representation, guarantee or other term or condition of any nature not contained or recorded in this MOU is of no force or effect.

22.2 No provision of this MOU is in any way modified, discharged or prejudiced by reason of any investigation made, or information acquired, by or on behalf of either Club respectively, whether prior to or after the date of this MOU.

22.3 The rights, powers, remedies and privileges provided in this MOU are cumulative, and are not exhaustive of any other rights, powers, remedies and privileges provided by law, except as may be expressly stated otherwise in this MOU.

22.4 If any provision of this MOU is invalid and not enforceable in accordance with its terms, other provisions which are self-sustaining and capable of enforcement continue to be valid and enforceable in accordance with their terms.

22.5 Neither party may assign this MOU or any benefit under it without the prior written consent of the other which it may refuse in its absolute discretion.

22.6 Each party must do, sign and deliver all acts and documents reasonably required of it by notice from the other to effectively carry out and give full effect to this MOU.

22.7 This MOU is governed by and is to be construed in accordance with the law of New South Wales.

23. TERMINATION

23.1 Doyalson may terminate this MOU at any time, without penalty, by giving written notice to Northmead if Northmead breaches any warranty contained in clause 15.1.

23.2 Either party may terminate this MOU in accordance with clause 2.10

23.3 If:

- (a) the members of Northmead have not passed the resolution referred to in clause 13.1 within 6 months of the date of this MOU; or

- (b) the members of Doyalson have not passed the resolutions referred to in clauses 13.3 and 13.5 within 6 months of the members of Northmead passing the resolution referred to in clause 13.1; or

then either party by giving written notice to the other may, without penalty or liability to the other, terminate this MOU.

- 23.4 Notwithstanding anything contained in this MOU, if Completion of the Amalgamation has not occurred within 18 months of the date of this Memorandum (or such later date agreed in writing by the parties), then either party by giving written notice to the other may, without penalty, terminate this MOU.
- 23.5 Any delay or forbearance in giving or withdrawing a notice pursuant to this clause 23 by a party shall not prejudice its rights to subsequently terminate this MOU pursuant to this clause 23.
- 23.6 If this MOU is terminated in accordance with this clause 23 the Amalgamation terminates.

24. NOTICES

- 24.1 A notice to be given by one club to the other pursuant to this MOU must be:
 - (a) in writing;
 - (b) directed to the recipient's address specified in this MOU or as varied by written notice; and
 - (c) left at, or sent by pre-paid registered post, hand delivery or by email to that address.
- 24.2 A notice given in accordance with clause 24.1 will be deemed to be duly given:
 - (a) two days after the date of posting by pre-paid registered post;
 - (b) on the day of hand delivery;
 - (c) if sent by email, the day after the email was sent,as the case may be.

25. PROCESS FOR THE VARIATION OF THIS MEMORANDUM

No variation or waiver of any provision of this MOU is of any force or effect unless it is confirmed in writing and signed by both Parties. The variation or waiver is effective only to the extent for which it is made or given.

26. WAIVER AND THE EXISTENCE OF A POWER OR A RIGHT

No failure, delay, relaxation or indulgence on the part of either Party in exercising any power or right conferred on that Party by this MOU operates as a waiver of that power or right. No single or partial exercise of any such power or right will preclude any other or future exercise of it, or the exercise of any other power or right under this MOU.


27. **NOTES**

27.1 This MOU is to be:

- (a) made available to the ordinary members Northmead and Doyalson at least 21 days before any meeting of the members of each club for the purpose of voting on whether to approve the proposed Amalgamation;
- (b) made available for inspection on the premises of each club and on the website of each club for at least 21 days before any meeting as referred to in paragraph (a) of these Notes is held; and
- (c) lodged with any application under section 60 of the Liquor Act 2007 to transfer the club licence held by Northmead to Doyalson.

EXECUTED as a Deed

Executed by **DOYALSON-WYEE**)
R S L CLUB LTD (ABN 69 000 985)
008) pursuant to Section 127 of the)
Corporations Act 2001)



Director / Secretary

KEVIN BALDWIN

Name of Director/Secretary
(print name)



Director / Secretary

CARREN THORNTON 1/7/28

Name of Director/Secretary
(print name)

EXECUTED as a Deed

Executed by **NORTHMEAD**)
BOWLING, RECREATION AND)
SPORTING CLUB LTD (ABN 34)
001 068 275) pursuant to Section)
127 of the Corporations Act 2001)



Director / Secretary

Trevor Oldfield.

Name of Director/Secretary
(print name)



Director / Secretary

Peter Sumner. 1/7/28

Name of Director/Secretary
(print name)