

Memorandum of Understanding

Manly-Warringah Rugby League Club Ltd ACN 000 193 251
("Manly Leagues Club")

Chatswood Club Ltd ACN 000 148 354
("Chatswood Club")



This Memorandum of Understanding is made on 23RD DECEMBER 2024

BETWEEN: Manly-Warringah Rugby League Club Ltd ACN 000 193 251 of 563 Pittwater Road Brookvale NSW 2100 ("Manly Leagues Club")

AND Chatswood Club Ltd ACN 000 148 354 of 11 Help Street Chatswood, NSW 2067 ("Chatswood Club")

RECITALS

- (A) Manly Leagues Club and Chatswood Club are both registered clubs under the Registered Clubs Act.
- (B) On 19 November 2024 Manly Leagues Club called for expressions of interest to amalgamate from other clubs.
- (C) Chatswood Club submitted an expression of interest to Manly Leagues Club on 20 November 2024 indicating an interest in amalgamating with Manly Leagues Club.
- (D) Manly Leagues Club accepted the expression of interest from Chatswood Club referred to in Recital (C) and Manly Leagues Club and Chatswood Club have agreed to amalgamate in accordance with the terms set out in this Memorandum of Understanding.
- (E) The amalgamation between Manly Leagues Club and Chatswood Club is also subject to the approval of both Clubs' members and the Authority as required by the Registered Clubs Act.
- (F) The Amalgamation is always subject to compliance with the requirements of the Registered Clubs Act, the Registered Clubs Regulation 2015, the Liquor Act and the Corporations Act.
- (G) This Memorandum of Understanding satisfies the requirements of the Registered Clubs Regulations in that it deals with and legally binds Manly Leagues Club and Chatswood Club to all matters relating to the Amalgamation as required by Regulation 7 of the Registered Clubs Regulations.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Memorandum of Understanding unless the context otherwise requires:

"Amalgamated Club" means the amalgamated registered club of Manly Leagues Club and Chatswood Club, the continuing vehicle of which will be Manly Leagues Club from Completion;

"Amalgamation" means the amalgamation of the Clubs in accordance with this Memorandum of Understanding;



“Amalgamation Application” means the application, or applications as the context may require, for the transfer of the Club Licence of Chatswood Club to Manly Leagues Club (including an application for provisional transfer) pursuant to Sections 60(6) and (7) of the Liquor Act;

“Approved Secretary” means a person approved by the Authority under section 33 of the Registered Clubs Act to act as secretary of a club.

“Assets” means all of the assets of Chatswood Club as at Completion including without limitation the Land and those other assets listed in Schedule 1;

“Auditor’s Letter” means the letter to Chatswood Club from Chatswood Club’s Auditor dated 30 May 2023 and signed by the Auditor and the President of Chatswood Club;

“Authority” means the Independent Liquor and Gaming Authority constituted under the Gaming and Liquor Administration Act 2007 (NSW);

“Board and Board of Directors” means the board of directors of Manly Leagues Club, or, the Amalgamated Club after Completion (as the context may require);

“Business” means the business of Chatswood Club or Manly Leagues Club (as the context may require);

“Business Day” means a day that is not a Saturday, Sunday or public holiday or a bank holiday in New South Wales;

“Business Records” means all records relating exclusively to the Assets or the Business and, whether in paper or electronic form, other than those records which the Chatswood Club is required by law to keep;

“Chatswood Club’s Auditor” means Harley, Russell & Day Chartered Accountants;

“Chatswood Club CEO” means the Approved Secretary of Chatswood Club;

“Chatswood Club Premises” means the approved licensed premises of Chatswood Club known as Chatswood Club in respect of Club Licence LIQC300226344 as at the date of this Memorandum situated at 11 Help Street, Chatswood NSW 2067 and as otherwise approved by the Authority from time to time and includes any future approved licensed premises on the Land (as the context may require);

“Manly Leagues Club CEO” means Approved Secretary of Manly Leagues Club;

“Cladding Allowance” means the amount of \$400,000;

“Claim” means any claim, cost, damages, debt, expense, Tax, Liability, loss, allegation, suit, action, demand, cause of action or proceeding of any kind irrespective of:

- (i) how or when it arises;
- (ii) whether it is actual or contingent;



- (iii) whether or not it is in respect of legal or other costs, damages, expenses, fees or losses;
- (iv) whether or not it is in respect of a breach of trust or of a fiduciary or other duty or obligation; and
- (v) whether or not it arises at law or in any other way.

"Clubs" means both Manly Leagues Club and the Chatswood Club;

"Club Licence" means a club licence held under section 10 of the Liquor Act;

"Club Premises" means a licensed premises owned or controlled by Chatswood Club or Manly Leagues Club (as the context may require).

"Completion" means the day on which:

- (i) the Assets, Land, Liabilities and Club Licence of Chatswood Club are transferred to Manly Leagues Club as referred to in clause 19; and
- (ii) Manly Leagues Club takes over responsibility for the management, business and affairs of the Club Premises of Chatswood Club.

"Conditions Precedent" means the conditions precedent to Completion as set out in Clause 18 of this Memorandum of Understanding.

"Confidential Information" means all trade secrets and all financial, marketing and technical information, ideas, concepts, know-how, technology, business plans, strategic plans, member lists, gaming machine information, processes and knowledge which is confidential or of a sensitive nature but excludes that which is in the public domain.

"Consideration" for the purposes of clause 21 of this Memorandum of Understanding has the meaning given to that term by the GST law;

"Corporations Act" means the *Corporations Act 2001* (Cth) and the regulations made thereunder;

"Encumbrance" means any:

- (a) security granted for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or (2) of the *Personal Property Securities Act 2009* (Cth); or
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) right that a person (other than the owner) has to remove something from land (known as a profit a prendre), easement, public right of way, restrictive or positive covenant, lease or licence to use or occupy; or



- (d) third party right or interest or any right arising as a consequence of the enforcement of a judgment.

"Employee Entitlements" means all entitlements to salary or wages, annual leave, long service leave and other entitlements (including paid personal/carer's leave) under any industrial instrument or agreement between Chatswood Club and an employee of Chatswood Club;

"Final Approval" means the confirmation pursuant to Section 60(8) of the *Liquor Act* by the Authority whereby Chatswood Club's Club Licence will be approved to be transferred to Manly Leagues Club;

"Gaming Machines Act" means the *Gaming Machines Act 2001 (NSW)* and the regulations made thereunder;

"GME" means a gaming machine entitlement;

"Government Agency" means:

- (a) a government, whether foreign, federal, state, territorial or local;
- (b) a department, office or minister of a government acting in that capacity; or
- (c) a commission, the Authority, delegate, instrumentality, agency, board, or other governmental, semi-governmental, judicial, administrative, monetary or fiscal authority, whether statutory or not.

"GST" means the goods and services tax as imposed by the GST Law.

"GST Act" means *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* or, if that Act does not exist for any reason, means any Act imposing or relating to the imposition of a goods and services tax in Australia.

"GST Amount" means in relation to a Taxable Supply the amount of GST for which the maker of the Taxable Supply ("**Supplier**") is liable in respect of the Taxable Supply.

"GST-Free" has the meaning given to that term by the GST Law.

"GST Group" has the meaning given to that term by the GST Law.

"GST Law" has the meaning given to that term in the GST Act.

"Insolvency Event" means the occurrence of any of the following events in relation to a party to this Memorandum of Understanding:

- (a) the party becomes insolvent as defined in the Corporations Act, states that it is insolvent or is presumed to be insolvent under an applicable law;
- (b) the party is wound up, dissolved or declared bankrupt or proposes its winding up or dissolution;



- (c) the party becomes an insolvent under administration as defined in the Corporations Act;
- (d) a liquidator, provisional liquidator, controller, administrator, trustee for creditors, trustee in bankruptcy or other similar person is appointed to, or takes possession or control of, any or all of the party's assets or undertaking;
- (e) the party enters into or becomes subject to:
 - (i) any arrangement or composition with one or more of its creditors or any assignment for the benefit of one or more of its creditors; or
 - (ii) it enters into or proposes to enter into any re-organisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (f) the party is taken, under section 459F(1) of the Corporations Act, to have failed to comply with a statutory demand;
- (g) the person suspends payment of its debts, ceases or threatens to cease to carry on all or a material part of its business (otherwise than in compliance with any order made by a Government Agency) or becomes unable to pay its debts when they fall due;
- (h) the party is insolvent as disclosed in its accounts or otherwise states that it is insolvent or it is presumed to be insolvent under an applicable law.

"Land" means all land which Chatswood Club owns, has an interest in or contractual entitlement to, as at Completion, and must include, without limitation Lot 2 in Strata Plan 37395 (Folio: 2/SP37395).

"Lender" means Philip Sale a Director of the Chatswood Club;

"Land Purchase Contracts" means the contracts for sale of unencumbered title to all Land including without limitation with respect to the titles detailed in the definition of Land above;

"Liabilities" means all liabilities (actual or contingent), losses, damages, debts, outgoings, costs and expenses of Chatswood Club (whatever description) as set out in Schedule 3 or incurred between the date of this MOU and Completion in accordance with clause 17.1 and 17.2;

"Liquor Act" means the *Liquor Act 2007* (NSW) and the regulations made thereunder;

"Loan" means the unsecured loan from the Lender to the Chatswood Club for the Loan Amount.

"Loan Amount" means the amount of the Loan and terms specified in the 2024 Annual Report of the Chatswood Club ;

"Material Adverse Event" means any event, condition or change which:

- (a) materially and adversely affects; or
- (b) could reasonably be expected to affect materially and adversely;

the Business or Club Premises of a Party excluding:

- (c) any event, condition or change resulting directly or indirectly from circumstances or events which affect the Registered Clubs Industry generally either locally, or more broadly across New South Wales, including without limitation the issuing of Public Health Orders or prevailing and changing economic conditions; and
- (d) any event, condition or change which has an adverse quantifiable financial impact on the affected Party of less than \$1M per annum or \$2M in total aggregate;

"Material Adverse Regulatory Event" means any ruling or decision by the Authority:

- (i) in which the Authority absolutely refuses under any circumstances to give the Final Approval, or rejects any application for which approval would be, required in order to effect Completion; or
- (ii) grants, or indicates that it will only grant, a Final Approval on conditions which are inconsistent with the rights and obligations of a party under this Memorandum of Understanding.

"Member" means a member of either Manly Leagues Club or Chatswood Club (as the case may be) as shown on the relevant club's register of members at the relevant time;

"Memorandum of Understanding" "Memorandum" or "MOU" means this Memorandum of Understanding and it includes any attachments or annexures to it;

"Party" means Chatswood Club and Manly Leagues Club;

"Payment" means any amount payable under or in connection with this Memorandum of Understanding including any amount payable by way of indemnity, reimbursement or otherwise (other than a GST Amount) and includes the provision of any non-monetary consideration;

"Plant and Equipment" means all plant, equipment, furniture, fixtures and fittings, tools and other maintenance items, appliances, freehold or other improvements, and information technology items owned by Chatswood Club;

"Recipient" for the purposes of clause 21 of this Memorandum of Understanding, has the meaning given to that term by the GST Law;

"Records" means all originals and copies in machine readable or printed form of all books, registers, files, accounts, records, reports, correspondence, files, manuals and other documents and information and materials created by, owned by, or under the control of each Club;

"Registered Clubs Act" means the *Registered Clubs Act 1976 (NSW)*; and

"Registered" for the purposes of clause 21 of this Memorandum of Understanding, has the meaning given to that term by the GST Law;

"Registered Club Regulations" means the regulations to the Registered Clubs Act.



"Stock" means all food and beverage stock and any other trading stock and consumables.

"Tax" means a tax, levy, charge, impost, deduction, withholding or duty of any nature (including stamp and transaction duty and goods and services, (value added) or similar tax) at any time:

- (a) imposed or levied by any Government Agency; or
- (b) required to be remitted to, or collected, withheld or assessed by, any Government Agency; and

any related interest, expense, fine, penalty or other charge on those amounts;

"Tax Invoice" has the meaning given to that term by the GST Law; and

"Taxable Supply" has the meaning given to that term by the GST Law.

1.1 **Business days**

If the day on which any act is to be done under this document is a day other than a Business Day, that act must be done on the immediately following Business Day except where this document expressly specifies otherwise.

1.2 **Construction**

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) "includes" means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (f) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
 - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
 - (v) a right includes a benefit, remedy, discretion or power;
 - (vi) time is to local time in Sydney, New South Wales;
 - (vii) "\$" or "dollars" is a reference to Australian currency;



- (viii) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;
 - (ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;
 - (x) this document includes all schedules and annexures to it; and
 - (xi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;
- (g) a reference to legislation is to be construed as a reference to that legislation and any regulation made under it, any subordinate legislation under it and any regulation made under that subordinate legislation, and that legislation and regulations and subordinate legislation and regulations as amended, re-enacted or replaced for the time being;
- (h) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and
- (i) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

1.3 Headings


Headings do not affect the interpretation of this document.

2. AMALGAMATION

- 2.1 Manly Leagues Club and Chatswood Club agree to amalgamate in accordance with this Memorandum of Understanding, the Registered Clubs Act, the Registered Clubs Regulation, the Liquor Act and the Corporations Act subject to the provisions of this document.
- 2.2 The Amalgamation will be effected by the continuation of Manly Leagues Club and the dissolution of Chatswood Club.
- 2.3 The Amalgamation is intended to:
- (i) preserve the existing facilities and amenities of Manly Leagues Club and preserve the existing facilities and amenities of the Chatswood Club Premises in the manner set out in this Memorandum of Understanding; and
 - (ii) preserve the social facilities of Chatswood Club in the manner set out in this Memorandum of Understanding.

3. THE AGREED STEPS TO ACHIEVE AMALGAMATION OF THE CLUBS

- 3.1 The steps that will be undertaken to achieve Completion of the Amalgamation will be as follows:

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- (i) The Clubs entering this Memorandum of Understanding which addresses both:
 - (A) The matters required to be addressed between the Clubs by Regulation 7(2) of the Registered Clubs Regulation in a memorandum of understanding stating each club's position on certain matters relating to the amalgamation; and
 - (B) The due diligence process, member approval processes, Authority approval process and the processes and condition precedents including those related to the transfer of Assets including the Club Licence, and the transfer of Land, to complete the Amalgamation.
- (ii) Chatswood Club may, at its own expense, undertake a due diligence review of Manly Leagues Club and for the purposes of this clause Manly Leagues Club agrees to:
 - (A) make available to the Chatswood Club its annual reports of the last three (3) years;
 - (B) provide further information, responses to queries and additional assistance to reasonably allow Chatswood Club complete its due diligence properly to its satisfaction.
- (iii) Manly Leagues Club, at its own expense, undertaking a due diligence review of Chatswood Club's Assets including the Club Licence, liabilities, Land, and business operations and to give effect to this Chatswood Club will immediately and up and until the sooner of Completion or termination of this Memorandum of Understanding:
 - (A) make available to Manly Leagues Club its Records in any reasonably required formats
 - (B) provide further information, responses to queries and additional assistance to allow Manly Leagues Club to complete its due diligence properly to its satisfaction and
 - (C) provide access to the Chatswood Clubs' Club Premises, the Land and any other premises of Chatswood Club, as required to view Records, conduct inspections and due diligence, view Assets and/or review business operations.
- (iv) In accordance with clause 15, Chatswood Club will call and hold a general meeting of the ordinary members of Chatswood Club to approve in principle, the Amalgamation (which includes without limitation the transfer of all Assets including the Club Licence, Liabilities and Land to Manly Leagues Club) with such general meeting to be held prior to 28 February 2025.
- (v) In accordance with clause 15, the Board of Manly Leagues Club will call and hold a separate general meeting of the ordinary members of Manly Leagues Club



prior to 28 February 2025 to approve all of the following:

- (A) In principle, the Amalgamation; and
 - (B) Amendments to the Manly Leagues Club's constitution required to accommodate the transfer of members from Chatswood Club to Manly Leagues Club in the manner set out in this Memorandum and to deal with any other matters required by this Memorandum.
- (vi) In accordance with clause 16, after the necessary member approvals as set out in paragraphs (iii) and (iv) above have been obtained, the Amalgamation Application will then be made by Manly Leagues Club. The Amalgamation Application will be made in the manner provided for in clause 16 below.
- (vii) In accordance with clause 17, the Clubs respectively warrant certain matters and Chatswood Club agrees to conduct its Business in a particular manner and subject to specific restrictions until Completion.
- (viii) In accordance with clause 20, after provisional approval of the Amalgamation Application is granted and the Conditions Precedent of Completion have either been achieved or waived as permitted by clause 18.3 then Completion will occur on that day in accordance with the terms and conditions of clauses 19 and 20 of this Memorandum of Understanding
- (ix) At the time or immediately after the Amalgamation Application is granted, but subject to prior or concurrent satisfaction of the Condition Precedents:
- (A) The Assets will be transferred to Manly Leagues Club;
 - (B) The Liabilities will be transferred to Manly Leagues Club; and
 - (C) The premises of Chatswood Club including without limitation the Chatswood Club Premises, will become the additional licensed premises of Manly Leagues Club and be available to all members of the Amalgamated Club; and
 - (D) All financial members of Chatswood Club will be invited to become club members of Manly Leagues Club and will for the purposes of section 17AC(2) of the Registered Clubs Act all be identified in the separate class of membership called "Chatswood Club Members".
- (x) After Completion:
- (A) Manly Leagues Club will continue as the body corporate of the Amalgamated Club; and
 - (B) Chatswood Club will be wound up in accordance with the law and the requirement of clause 19.4.

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4. THE MANNER IN WHICH THE PREMISES AND OTHER FACILITIES OF CHATSWOOD CLUB WILL BE MANAGED AND THE DEGREE OF AUTONOMY THAT WILL BE PERMITTED IN THE MANAGEMENT OF CHATSWOOD CLUB PREMISES AND FACILITIES [REGULATIONS – CLAUSE 7(2)(A)]

4.1 Premises and Facilities

- (i) The Chatswood Club Premises and its associated facilities will become additional premises of Manly Leagues Club.
- (ii) Manly Leagues Club will take over responsibility and control of all Chatswood Club Premises from Completion.
- (iii) The cash balance of Chatswood Club will be transferred to Manly Leagues Club on Completion and will be allocated to the cash balance of the Amalgamated Club.
- (iv) After Completion, the Club Premises of Manly Leagues Club, Dee Why Bowling Club, and the Club Premises of Chatswood Club will be made available for the use of all members of the Amalgamated Club (subject to their rights and restrictions under its constitution and by-laws).

4.2 Name and Branding

- (i) The Chatswood Club Premises will be rebranded to appeal to the current local demographic of the Chatswood Club Premises.

4.3 Management

- (i) The Manly Leagues Club CEO will be the Secretary and Chief Executive Officer of the Amalgamated Club.
- (ii) The Board of the Amalgamated Club will be the Board of Manly Leagues Club consistent with Manly Leagues Club being the continuing club upon Amalgamation.
- (iii) For the purposes of section 66 of the Liquor Act, the Amalgamated Club will appoint an approved manager for the Chatswood Club Premises.

4.4 Marketing

- (i) Manly Leagues Club's marketing team will implement and manage an effective social media and marketing strategy aimed at promoting the Club Premises, with the aim of increasing visibility within the local community and enhancing engagement with both current members of Chatswood Club the and the local demographic.



4.5 Director

- (i) Subject to 4.5(ii), on or before Completion, Manly Leagues Club will appoint a representative from the Chatswood Club, as nominated by the Board of Chatswood Club, to serve as an appointed director of the Amalgamated Club for a term of three (3) years, subject to and in accordance with the provisions of the Registered Clubs Act, Registered Club Regulations, Manly Leagues Club Constitution and the Corporations Act
- (ii) For the purposes of Clause 4.5(i) the representative of Chatswood Club, nominated for the Board of the Amalgamated Club, must have received the prior approval of the Board of Manly Leagues Club, which will not be unreasonably withheld or delayed, as having appropriate professional qualifications and relevant experience that will be of assistance to the ongoing governance of the Amalgamated Club.

5. A LIST OF THE TRADITIONS, AMENITIES AND COMMUNITY SUPPORT THAT WILL BE PRESERVED OR CONTINUED BY THE AMALGAMATED CLUB [REGULATIONS – CLAUSE 7(2) (B)]

5.1 Traditions, Amenities and Community Support

- (i) The Amalgamated Club from Completion will:
 - (A) maintain the traditions and memorabilia of Chatswood Club as set out in Schedule 2; and
 - (B) continue the same, or provide a greater amount, of support and sponsorship to community and sporting groups in the local community of Chatswood Club Premises as set out in Schedule 5.

6. INTENTIONS REGARDING THE FUTURE DIRECTION OF THE AMALGAMATED CLUB [REGULATIONS – CLAUSE 7(2) (C)]

6.1 Future Direction

- (i) The future direction of the Amalgamated Club will be subject to the overall strategic plan of the Amalgamated Club and its finances as determined by its Board of Directors.
- (ii) The Board of Directors of the Amalgamated Club intend to be financially prudent at all times to ensure continuity of the Amalgamated Club and all decisions are subject to available finances on an ongoing basis.



6.2 Trading Hours

- (i) The trading hours of the Amalgamated Club will be periodically reviewed with the objective of expanding hours to enhance service for members and guests which may include but not limited to, extending hours on weekends and implementing later closing times.

6.3 Capital Contribution

- (i) Manly Leagues Club will make an initial investment of two hundred thousand dollars (\$200,000) to upgrading and improving the Chatswood Club Premise's services and facilities.

6.4 Food Offering

- (i) The Amalgamated Club intends to operate a professional and viable catering operation that provides a contemporary food and coffee offering, quality service and an acceptable ambiance.
- (ii) The catering operation will operate at a minimum for lunch and dinner, five (5) days a week from Monday to Friday with operating hours to be adjusted at the discretion of the Amalgamated Club following periodic review.

6.5 Club Operations

- (i) The Amalgamated Club will, subject to this Memorandum of Understanding:
 - (A) carry on the business of a licensed registered club at Chatswood Club Premises with all the facilities and amenities of a registered club (subject to any period of temporary closure required for renovation or redevelopment).

7. THE EXTENT TO WHICH THE EMPLOYEES OF THE AMALGAMATED CLUB WILL BE PROTECTED [REGULATIONS – CLAUSE 7(2) (D)]

- 7.1 Prior to Completion, Manly Leagues Club will offer employment to all of Chatswood Club's employees on terms no less favourable than existing terms of employment.
- 7.2 Any employee of Chatswood Club who accepts in writing the offer of employment with Manly Leagues Club will become an employee of the Amalgamated Club on Completion and receive continuity of employment with Manly Leagues Club and their Employee Entitlements as employees of Chatswood Club will be honoured by Manly Leagues Club.
- 7.3 Any employee of Chatswood Club who does not accept the offer of employment with Manly Leagues Club will be paid their full Employee Entitlements by Chatswood Club on Completion when their employment with Chatswood Club comes to an end.
- 7.4 The current Duty Manager will be offered a permanent full-time position with the Amalgamated Club on registered club award rates (not less than Manager A).



- 8. INTENTIONS REGARDING THE FOLLOWING ASSETS OF CHATSWOOD CLUB:**
- 1. ANY CORE PROPERTY OF CHATSWOOD CLUB;**
 - 2. ANY CASH OR INVESTMENTS HELD BY CHATSWOOD CLUB;**
 - 3. ANY GAMING MACHINE ENTITLEMENTS HELD BY CHATSWOOD CLUB**
- [REGULATIONS – CLAUSE 7(2) (E)]**
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Core Property

- 8.1 For the purposes of the Registered Clubs Act, the Land (including the Chatswood Club Premises) is currently “core property” of Chatswood Club.
- 8.2 The Land (including the Chatswood Club Premises) will become core property of the Amalgamated Club as and from Completion and it will, subject to the requirements of the Registered Clubs Act, remain core property.

Cash and Investments

- 8.3 The cash and investments (if any) of Chatswood Club will be transferred to the general reserves of the Amalgamated Club.

Gaming Machine Entitlements

- 8.4 Chatswood Club has twenty-four (24) GMEs as recorded on the Chatswood Club Club Licence for the Chatswood Club Premises issued pursuant to the Liquor Act.
- 8.5 The Amalgamated Club must retain twenty-four (24) GMEs at the Chatswood Club Premises.
- 8.6 Subject to regulatory approval, Manly Leagues Club intends to increase the number of GMEs on the Chatswood Club’s Club Licence by transferring GMEs to it from other Club Licence’s held by Manly Leagues Club.
- 8.7 The Amalgamated Club will maintain a competitive gaming installation at the Chatswood Club Premises by implementing a policy to replace 20% of its gaming machines annually, ensuring up to date technology and an enhanced gaming experience for members and guests.

- 9. THE RISKS OF NOT MEETING ANY SPECIFIED INTENTIONS REGARDING THE PRESERVATION OF THE CORE PROPERTY OF THE DISSOLVED CLUB AND HOW THOSE RISKS ARE TO BE ADDRESSED IF REALISED [REGULATIONS – CLAUSE 7(2) (E1)]**
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Risks

- 9.1 The amalgamation as set out in this Memorandum of Understanding will see the Chatswood Club Premises become premises of a larger Registered Club of financial standing and net asset value.
- 9.2 The “core property” of Chatswood Club as set out in clause 8.1 above will, following Completion, be wholly owned by the Amalgamated Club. Other than unlikely risks



associated with changes in laws which may affecting Registered Clubs there is no other risk that the Amalgamated Club will not be in control of the core property post Completion.

- 9.3 The risks identified in clause 9.2 are set out in order to comply with the requirements of the Registered Club Regulations only. The likelihood that those risks will be realised is low and such risks are mitigated because there are restrictions on disposal of core property of Chatswood Club contained in the Registered Clubs Act.

10. ANY AGREEMENT UNDER SECTION 17AI (1) OF THE ACT RELATING TO THE PERIOD DURING WHICH THE MAJOR ASSETS OF THE DISSOLVED CLUB MUST NOT BE DISPOSED OF [REGULATIONS – CLAUSE 7(2) (E2)]

Disposal of the Major Assets of the Dissolved Club

- 10.1 For the purposes of section 17AI of the Registered Clubs Act, the Clubs agree that the major assets of Chatswood Club are the “core property” of Chatswood Club as set out in clause 8.1 above being the Land and subject to the Registered Clubs Act and this Memorandum, the major assets of Chatswood Club cannot be disposed of within the first ten (10) years after Completion.
- 10.2 The Chatswood Club Premises will continue to trade in accordance with restrictions set out in clauses 11 and 12 of this Memorandum of Understanding.
- 10.3 If any of the circumstances referred to in clause 11.4 occur at any time then subject to section 17AI of the Registered Clubs Act, the Amalgamated Club may dispose of the major assets of Chatswood Club (being the “core property” of Chatswood Club).

11. THE CIRCUMSTANCES THAT WOULD PERMIT THE AMALGAMATED CLUB TO CEASE TRADING ON THE PREMISES OF CHATSWOOD CLUB OR TO SUBSTANTIALLY CHANGE THE OBJECTS OF CHATSWOOD CLUB [REGULATIONS – CLAUSE 7(2) (F)]

Premises

- 11.1 Manly Leagues Club does not intend to cease trading from the Chatswood Club Premises.
- 11.2 The objects of Manly Leagues Club will become the objects of Chatswood Club with effect from Completion.
- 11.3 Manly Leagues Club intends to operate the Amalgamated Club in the manner referred to in clause 6 of this Memorandum of Understanding.
- 11.4 For the purposes of clause 7(2)(f) of the Regulations, Manly Leagues Club and Chatswood Club have agreed that the Amalgamated Club may cease trading from the Chatswood Club Premises in the following circumstances:
- (i) If it does so in a manner that complies with section 17AI of the Registered Clubs Act;



- (ii) upon the order of any Court, Government Agency or body with jurisdiction to administer the laws in relation to liquor, gaming and registered clubs which orders the permanent closure of the Chatswood Club Premises;
- (iii) upon the lawful order of any Government Agency to permanently cease trading from the Chatswood Club Premises, or revoking any licence, approval or consent necessary for the Amalgamated Club to continue trading from the Club Premises and it is not reasonably possible for the licences, approvals or consents to be re-instated or new/replacement licences, approvals or consents to be obtained;
- (iv) if the Chatswood Club Premises are destroyed or partially destroyed and the resulting insurance claim is insufficient to re-instate or re-build an operational clubhouse at Chatswood Club Premises;
- (v) if required to avoid an Insolvency Event occurring in respect of the Amalgamated Club in the opinion of the Board of the Amalgamated Club; or
- (vi) after expiry of the period referred to in clause 12.3 (being ten (10) years after Completion) if the Board of the Amalgamated Club determines that continued trading from the Chatswood Club Premises is not in the best interests of the Amalgamated Club.

11.5 The time period specified in clause 12.3, and the circumstances in which the Amalgamated Club may cease trading from the Chatswood Club Premises are not an indication that Manly Leagues Club believes that the use of such premises cannot remain financially viable following an operational review and/or renovation and/or site redevelopment. Manly Leagues Club is committed to using reasonable endeavours to maintain and improve the Chatswood Club Premises financial viability in accordance with its obligations under this MOU.

12. AN AGREED PERIOD OF TIME BEFORE THE AMALGAMATED CLUB IS PERMITTED TO CEASE TRADING FROM CHATSWOOD CLUB PREMISES OR SUBSTANTIALLY CHANGE THE OBJECTS OF CHATSWOOD CLUB PREMISES [REGULATIONS – CLAUSE 7(2) (G)]

- 12.1 Manly Leagues Club does not intend to cease trading from Chatswood Club Premises. Manly Leagues Club intends to operate the Amalgamated Club in the manner referred to in clause 4 and would only cease to do so in the circumstances referred to in clause 11.
- 12.2 As mentioned above the objects of Manly Leagues Club will become the objects of Chatswood Club Premises, as set out in its constitution, with effect from Completion.
- 12.3 For the purposes of clause 7(2)(g) of the Regulations, Manly Leagues Club and Chatswood Club have agreed that the Amalgamated Club will continue:
 - (i) to trade from the Chatswood Club Premises for a minimum of ten (10) years from Completion;

except in any of the circumstances referred to in clause 11.4(i) to (vi) inclusive). This

clause does not prevent the Amalgamated Club from ceasing to trade from the Chatswood Club Premises if it is required for the redevelopment of the Land or renovation and/or redevelopment of the Chatswood Club Premises, provided that the Amalgamated Club will reopen and resume trading at the same location after the redevelopment and/or renovation is complete.

13. LOAN

- 13.1 Manly Leagues Club will refinance the Loan in full prior to Completion subject to Chatswood Club entering in a loan agreement and general security agreement as specified by Manly Leagues Club.
- 13.2 The loan from Manly Leagues Club will be for an amount equal to the Loan Amount which will allow for the refinancing of the current loans plus the Cladding Allowance, which is an additional amount to cover the anticipated cost of cladding replacement works to the building in which the Chatswood Club Premises is located as Chatswood Club is obligated to pay as a result of an amount levied by the relevant owners corporation.
- 13.3 Chatswood Club, with respect to the loan to be made by Manly League Club pursuant to clause 13.1 above, will provide security as required by Manly Leagues Club including without limitation a first registered mortgage security over the Land and a registered security interest over all of the property of the Chatswood Club including without limitation its GMEs.
- 13.4 The Loan must be in place, and allowed to be drawn down by The Chatswood Club, by no later than 31 January 2025.

14. BINDING EFFECT OF MEMORANDUM OF UNDERSTANDING

- 14.1 Manly Leagues Club and Chatswood Club agree that this Memorandum of Understanding is legally binding on them.

15. CALLING OF MEETINGS AND ADMISSION OF CHATSWOOD CLUB MEMBERS TO MEMBERSHIP OF MANLY LEAGUES CLUB

- 15.1 Chatswood Club must call a general meeting of the ordinary members of Chatswood Club for the purposes of considering and if thought fit passing:
- (i) a resolution approving in principle the Amalgamation in accordance with section 17AEB(d) of the Registered Clubs Act with such amalgamation to be effected by:
 - (A) The continuation of Manly Leagues Club; and
 - (B) The transfer of the Chatswood Club's Club Licence, Assets, Land and Liabilities (including the Loan) to Manly Leagues Club.
- 15.2 The meeting referred to in clause 15.1 must be held as soon as practicable after the date of this Memorandum of Understanding. There is no obligation on Chatswood Club to



call and hold more than one general meeting to seek and obtain the approvals referred to in clause 15.1. and such general meeting must be held by 28 February 2025.

15.3 Manly Leagues Club must call a general meeting of the ordinary members of Manly Leagues Club for the purposes of considering and if thought fit passing a resolutions:

- (i) approving in principle the Amalgamation in accordance with section 17AEB (d) of the Registered Clubs Act to be effected by:
 - (A) the continuation of Manly Leagues Club; and
 - (B) the transfer of the Club Licences, Assets, Land and Liabilities (including the Loan) of Chatswood Club to Manly Leagues Club.

15.4 The meeting referred to in clause 15.3 must be held by 28 February 2025.

15.5 In addition to the resolution referred to in clause 15.3, Manly Leagues Club will, at the meeting referred to in clause 15.3 submit to those members eligible to attend and vote, a special resolution to amend the Constitution of Manly Leagues Club (with effect only from Completion) to the following effect:

- (i) All financial members of Chatswood Club will be invited to apply for ordinary membership of Manly Leagues Club in the manner referred to in paragraphs (ii) and (vii) inclusive of this clause 15.5;
- (ii) All transferring members will be club members of Manly Leagues Club;
- (iii) All transferring members will be subject to the usual restrictions applicable to new Manly Leagues Club members.
- (iv) For the purposes of section 17AC(2) of the Registered Clubs Act, all transferring members will be identified in Manly Leagues Club membership register as "Chatswood Club Members";
- (v) All transferring members will be granted membership in a newly created class of membership within the Amalgamated Club, comprising of Ordinary and Associate Members of Chatswood Club, for a period of ten (10) years from the date of Completion such members will receive a membership card with "Chatswood Club" on it, with such membership card to be recognised at all Amalgamated Clubs venue.
- (vi) Prior to Completion, Manly Leagues Club will forward to each member of Chatswood Club a written invitation to become a Club member of Manly Leagues Club;
- (vii) Any person who, at Completion of the Amalgamation, is a Life member of the Chatswood Club will;
 - (1) continue to be recognised as a Life member of the Chatswood Club, but

only in respect of the Chatswood Club, and be recorded in the Manly Leagues Club membership register under a newly created category of membership titled "Chatswood Life Member"; and

- (2) such members will not be required to pay an annual subscription to the Amalgamated Club (unless the Registered Clubs Act requires such a subscription to be paid).
- (viii) Any member of Chatswood Club who accepts the invitation to become a Club member agrees to pay the appropriate fees and subscriptions for that class of membership and agrees in writing to be bound by the constitution of Manly Leagues Club will (subject to the name of that person being displayed on the noticeboard of Manly Leagues Club for not less than seven (7) days and a period of not less than fourteen (14) days elapsing after the receipt of the acceptance by Manly Leagues Club) be elected by a resolution of the Board of Manly Leagues Club to membership of Manly Leagues Club; and
- (ix) All general meetings (including annual general meetings) of the Amalgamated Club must be physically held at both the Club Premises of Manly Leagues Club and the Chatswood Club Premises to ensure Chatswood Club members can attend, participate and vote at all general meetings (including annual general meetings) of the Amalgamated Club except if such general meeting is to be a general meeting held by both physical and electronic means or by electronic means only.

15.6 Notwithstanding anything contained in this Memorandum of Understanding, any member of Chatswood Club who, at Completion, is then:

- (i) duly in the ordinary course refused admission to or has been turned out of the Manly Leagues Club Premises;
- (ii) suspended from Manly Leagues Club; or
- (iii) expelled from Manly Leagues Club;

shall only be entitled to attend at and use the facilities at Chatswood Club Premises, and for the avoidance of doubt, shall not be entitled to attend at or use the facilities at Manly Leagues Club Premises, until such time as:

- (i) The person is again permitted to enter the Manly Leagues Club Premises; or
- (ii) the period of suspension has been served; or
- (iii) The Board of the Amalgamated Club has overturned the person's expulsion from Manly Leagues Club or has readmitted the person to membership of Manly Leagues Club.

15.7 This Memorandum of Understanding is to be:

- (i) made available to the ordinary members of Chatswood Club and Manly Leagues Club at least 21 days before any meeting of the members of the respective club for the purpose of voting on whether to approve the proposed amalgamation; and
 - (ii) made available for inspection on the premises of each club and on the website of each club for at least 21 days before any such meeting is held.
- 15.8 Before this Memorandum of Understanding was executed, the parties acknowledge that each Club displayed the intentions and proposals notices to members which are required under section 17AE of the Registered Clubs Act and clause 4(5) of the Registered Club Regulations.

16. AMALGAMATION APPLICATION TO THE INDEPENDENT LIQUOR AND GAMING AUTHORITY

- 16.1 As soon as reasonably practicable after the meetings referred to in clauses 15.1 and 15.3, each Club must prepare and provide to the lawyers for Manly Leagues Club for the purposes of the Amalgamation Application the following documents:
- (i) A true copy of the notice of the meeting at which the resolution was passed; and
 - (ii) A true copy of the minutes of the meeting which will include the number of members present at the meeting and whether or not the resolution was passed.
- 16.2 Manly Leagues Club and its lawyers will prepare and file the Amalgamation Application. Manly Leagues Club will provide Chatswood Club with a copy of the Amalgamation Application.
- 16.3 Chatswood Club will co-operate with Manly Leagues Club and the lawyers for Manly Leagues Club and will provide all documents and information reasonably required for the preparation, lodgement and finalisation of the Amalgamation Application and will cause Chatswood Club's CEO to sign the Amalgamation Application if required to do so.
- 16.4 Manly Leagues Club will seek an approval in principle from the Authority of the Amalgamation Application with final transfer of the Chatswood Club's Club Licence to Manly Leagues Club to occur on Completion.
- 16.5 After the Amalgamation Application is granted and the Conditions Precedent have either been achieved or waived as permitted by clause 18.3 then Completion will occur and:
- (i) Manly Leagues Club will continue as the body corporate of the Amalgamated Club; and
 - (ii) Chatswood Club will be dissolved wound up in accordance with law.
- 16.6 This Memorandum of Understanding is to be lodged with any application under section 60 of the Liquor Act 2007 to transfer the club licence held by Chatswood Club to Manly Leagues Club.



17. WARRANTIES AND OPERATIONAL ARRANGEMENTS

17.1 Chatswood Club warrants to Manly Leagues Club that:

- (a) from the date of this Memorandum of Understanding to the date of Completion, Chatswood Club shall not do any of the following without the prior written consent of Manly Leagues Club:
 - (i) Manage and conduct the business other than in its ordinary and usual course including without limitation the payment of all debts as and when they fall due;
 - (ii) incur liabilities in the aggregate of more than \$2,000 per month other than as incurred in the usual and ordinary course of business;
 - (iii) incur in aggregate any capital expenses or repairs of more than \$2,000;
 - (iv) enter any commitment which will involve capital expenditure relating to its Business;
 - (v) other than disposals of Stock in the ordinary course of business, dispose of, create any Encumbrance over, or declare itself trustee of any asset of its Business;
 - (vi) hire any new permanent or part time employee, hire any new casual employee, terminate the employment of any employee or vary the terms of employment or engagement of any employee, agent, distributor or independent contractor, or agree to do any of those things except in the ordinary course of business or as required by law;
 - (vii) enter into any new contract or vary the term of any existing contract ;
 - (viii) enter into any transaction other than on arm's length terms;
 - (ix) fail to maintain the level of Stock levels appropriate in quality and volume for the ongoing needs of the Business;
 - (x) fail to maintain, repair and replace the Plant and Equipment in the ordinary course of the business (subject to (ii) and (iii) above);
 - (xi) engage in discussions or negotiations with anyone other than Manly Leagues Club concerning a possible amalgamation and/or the sale of all or any part of Chatswood Club's Assets and Chatswood Club must advise Manly Leagues Club of any solicitation by any third party in respect of any such discussion or negotiation;
 - (xii) borrow any money or obtain any draw down or advance from any existing facility; or



- (xiii) reduce any membership or playing fees payable by members or other patrons and
 - (b) that Schedule 3 includes all liabilities (actual or contingent), losses, damages, debts, outgoings, costs and expenses of Chatswood Club (whatever description) as at the date of the MOU.
- 17.2 Until completion Chatswood Club must maintain the following insurance policies in respect of the Assets and the Chatswood Club Business:
 - (i) public liability insurance in the amount of at least \$20 million for each single occurrence, and unlimited in aggregate;
 - (ii) property damage insurance to the full replacement value of all Assets insurable under such a policy; and
 - (iii) workers compensation insurance as required by law.
- 17.3 Each of Chatswood Club's warranties contained in clause 17.1 remain in full force and effect notwithstanding Completion.
- 17.4 Without limiting its other rights, and notwithstanding any other provision of this Memorandum of Understanding, Manly Leagues Club may terminate this Memorandum of Understanding and the amalgamation at any time prior to Completion if there is any breach of any of Chatswood Club's warranties set out in clause 17.1.
- 17.5 If, before Completion, in relation to either party to this Memorandum of Understanding:
 - (i) A Material Adverse Event occurs;
 - (ii) A Material Adverse Regulatory Event occurs;
 - (iii) An event occurs which makes any warranty, or any of a party's representations or other warranties made or given to the other party untrue or misleading;
 - (iv) Any Claim of any nature is threatened or asserted by or against a party; or
 - (v) There is any material adverse change in the condition (financial or otherwise) or prospects of a party or of its operations,then the respective party in relation to which one or more of the events or circumstances set out in (i), (ii), (iii), (iv) or (v) above has occurred or been subject to, as the case maybe, must within a reasonable time on becoming aware of the circumstances, give notice to the other Club fully describing the circumstances.
- 17.6 Title to, property in and risk of Chatswood Club's Assets remain solely with Chatswood Club until such time as they are passed to the Amalgamated Club in accordance with clause 19.



17.7 Each party represents and warrants that:

- (i) It has full power and authority to enter into and perform its obligations under this Memorandum of Understanding;
- (ii) The accounts given to the other party contain all information necessary to give a true and fair view of its financial situation and state of affairs and are prepared in accordance with any applicable Accounting Standard;
- (iii) It has complied with all laws relating to payment of Taxes and Employee Entitlements;
- (iv) Each of the representations and warranties it has made in this Memorandum of Understanding are correct; and
- (v) All information that it has provided to the other party is true and correct in all respects and is not misleading by omission of information.

18. CONDITION PRECEDENTS TO COMPLETION OF THE AMALGAMATION

18.1 Completion of this Memorandum of Understanding is subject to and conditional upon the following:

- (i) Chatswood Club making available the Records for review and copying by Manly Leagues Club for due diligence purposes;
- (ii) Manly Leagues Club's due diligence being satisfactory to Manly Leagues Club in all respects including without limitation in relation to Chatswood Club's Premises, Assets, Club Licence, Business, Liabilities ;
- (iii) All Assets (including the Land) on Completion being transferred to Manly Leagues Club free of any and all Encumbrances with, subject to clause 19.1, any necessary releases being provided on Completion to Manly Leagues Club;
- (iv) Chatswood Club passing the resolutions set out in clause 15.1 of this Memorandum of Understanding;
- (v) Manly Leagues Club passing the resolutions set out in clause 15.3 and 15.5 of this Memorandum of Understanding;
- (vi) The Final Approval being issued by the Authority to transfer Chatswood Club's Club Licence to Manly Leagues Club;
- (vii) Chatswood Club's Club Licence when transferred to Manly Leagues Club having twenty-four (24) GMEs; and
- (viii) The completion of all Land Purchase Contracts between Chatswood Club and Manly Leagues Club with respect to all Land and the transfer or such Land to Manly Leagues Club free from any and all Encumbrances; and



- (ix) All loan facilities have been paid out in full by Chatswood Club other than monies owned to Manly Leagues Club.
- 18.2 Chatswood Club and Manly Leagues Club will use all reasonable endeavours to ensure the satisfaction of the conditions set out in clause 18.1 above as far as they lie within their respective powers to do so.
- 18.3 If any of the above conditions in clauses 18.1 are not satisfied or waived by Manly Leagues Club, either partially or fully, on or before the date which is ten (10) months from the date of this Memorandum of Understanding then Manly Leagues Club may from that date terminate this Memorandum of Understanding by providing Chatswood Club written notice of the same and neither party shall be entitled to make a claim against the other party in connection with this Memorandum of Understanding.

19. DISSOLUTION OF CHATSWOOD CLUB, TRANSFER OF ASSETS AND LIABILITIES POSITION UNDER THIS AMALGAMATION

- 19.1 On Completion Chatswood Club must transfer to Manly Leagues Club the Assets and Land free from all Encumbrances (less an amount sufficient for the purposes of liquidating Chatswood Club in the manner referred to in clause 16.5 and for directors' and officers' liability insurance pending deregistration). For the purposes of this clause, Manly Leagues Club will be deemed to have unencumbered title and ownership of an Asset (that is not the Land) if Chatswood Club has obtained a written undertaking from the relevant secured party on or before Completion which states that the relevant secured party will release their interest in the Asset after Completion and the undertaking is acceptable to Manly Leagues Club.
- 19.2 Subject to clause 19.3(ii), Manly Leagues Club will honour and accept the novation or assignment of all contracts between Chatswood Club and third parties for the remainder of their existing term provided that such contracts have been available for inspection by Manly Leagues Club during its due diligence process, and are specified in Schedule 4, or they have been entered into with the prior written consent of Manly Leagues Club after the date of this Memorandum of Understanding.
- 19.3 Manly Leagues Club will be responsible for and pay when due all debt and liabilities of Chatswood Club which:
- (i) have not been paid or otherwise discharged in full by Chatswood Club as at Completion, with such debts being amounts as set out in Schedule 3 or incurred in accordance with clauses 17.1(a);
 - (ii) are reasonably incurred by Chatswood Club after Completion with Manly Leagues Club's prior written consent, including without limitation the costs of winding up Chatswood Club and the costs of directors' and officers' liability insurance pending deregistration of Chatswood Club as a corporate entity;
 - (iii) arise from Manly Leagues Club not accepting the assignment or novation of any contracts as required by clause 19.2.



- 19.4 As soon as practicable after Completion, Chatswood Club must ensure Chatswood Club is wound up.

20. COMPLETION

- 20.1 Subject to the satisfaction, or valid waiver, of the Conditions Precedent set out in clause 18.1, Completion will take place on the date which Final Approval is issued by the Authority at a time, location and in the manner as specified by Manly Leagues Club (acting reasonably and after consultation with Chatswood Club).
- 20.2 Chatswood Club must on Completion:
- (i) (Assets) deliver to Manly Leagues Club duly signed transfer and similar forms in respect of all Assets that require such forms for their transfer;
 - (ii) (business name) deliver to Manly Leagues Club the online transfer key to transfer each Business name to Manly Leagues Club;
 - (iii) (Intellectual Property rights) assign and transfer absolutely all its rights, title and interest in all intellectual property rights by delivering to Manly Leagues Club deeds of assignment or transfers of such Assets all in form and substance reasonably required by Manly Leagues Club;
 - (iv) (delivery) deliver to Manly Leagues Club those Assets, including plant and equipment, capable of transfer by leaving those Assets in situ on the Land;
 - (v) (possession) permit Manly Leagues Club to take possession of all those Assets which are not on the Land, at the location where they are usually retained;
 - (vi) (Records) deliver to Manly Leagues Club the Records;
 - (vii) (IT Asset licences) deliver to Manly Leagues Club executed transfers or assignments in favour of Manly Leagues Club of all information technology Asset licences;
 - (viii) (deeds of assignment or novation) deliver to Manly Leagues Club duly executed deeds of assignment or novation, all in form and substance as reasonably required by Manly Leagues Club in respect of all contracts agreed to be honoured by Manly Leagues Club;
 - (ix) (release of Encumbrances) deliver evidence satisfactory to Manly Leagues Club of the release of all Encumbrances (if any) over its Business and the Assets;
 - (x) (consents and approvals) deliver to Manly Leagues Club signed copies of all required governmental and regulatory approvals or other third-party approvals and consents to the actions required by this Deed;
 - (xi) (utilities) surrender or cause to be surrendered all telephone and related lines, electricity, gas and other utility services as relate to the Land and use its best



- endeavours to assist the transfer or grant of those services or the grant of similar new services to Manly Leagues Club;
- (xii) (Rental Assets) deliver to Manly Leagues Club such other documents and material as Manly Leagues Club requires to effect the transfer of any rental assets to Manly Leagues Club;
 - (xiii) (third party items) deliver to Manly Leagues Club a comprehensive list of all items on the Premises owned by a party other than Chatswood Club (not including member personal effects but including any items of memorabilia on display);
 - (xiv) (general) deliver to Manly Leagues Club such other documents and material and do all other things reasonably required to effect the transfer of the business of Chatswood Club and the Assets to Manly Leagues Club on Completion and perform all other obligations to be performed by Chatswood Club on Completion under this Deed.
- 20.3 Where Chatswood Club is required to give any form of transfer, assignment or other documents to effect the transfer or assignment of any property or chose in action to Manly Leagues Club on Completion in a form required by Manly Leagues Club (the 'Transfer Documents'), Manly Leagues Club must, not less than seven (7) days before the proposed date of Completion, deliver the Transfer Documents to Chatswood Club or its solicitors for execution by Chatswood Club.
- 20.4 Chatswood Club must give Manly Leagues Club or its solicitors all such Transfer Documents within a reasonable period (having regard to when any such Transfer Documents were provided to Chatswood Club or its solicitors) prior to Completion for stamping where necessary. All such documents must be held by Manly Leagues Club or its solicitors in escrow pending Completion.
- 20.5 On winding up of Chatswood Club it must give to Manly Leagues Club the balance of all Records.
- 20.6 Any document or other item specified in clause 20.2 may be delivered to Manly Leagues Club by leaving that document or other item in a safe and appropriate place at which it is located on the date of Completion or otherwise delivered in accordance with Manly Leagues Club's instructions.
- 20.7 For the purposes of clause 19.1, Chatswood Club must do all things necessary and execute all documents to cause all of the Assets to be transferred to or assigned to the Manly Leagues Club with effect from the date of Final Approval.
- 20.8 The obligations of the parties under this clause 20 are interdependent and must be performed, as nearly as possible, simultaneously. If any obligation specified in clauses 20.2 to 20.4 is not performed on or before Completion then, without limiting any other rights of the parties, Completion is taken not to have occurred and any document delivered, or payment made, under clauses 20.2 to 20.4 must be returned to the party that delivered it or paid it.



20.9 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 20.

21. GST

21.1 The parties agree that:

- (a) All Payments, save to the extent provided for otherwise elsewhere in this Memorandum of Understanding, have been calculated without regard to GST;
- (b) If the whole or any part of any Payment, is Consideration for a Taxable Supply, the Recipient of the Taxable Supply must pay to the Supplier an amount additional to the relevant Consideration provided for elsewhere in this Memorandum of Understanding equal to the GST Amount. Unless otherwise agreed in writing, such amount equal to the GST Amount is to be paid within five Business Days of the Supplier issuing to the Recipient a valid Tax Invoice for the Taxable Supply. The amount equal to the GST Amount must be paid in full and without deduction, notwithstanding any entitlement that the Purchaser may have to a credit or offset however arising;
- (c) If either party is required to reimburse to the other any cost or expense or other amount incurred by the other party under or in connection with this Memorandum of Understanding, the amount to be reimbursed must be reduced by any part of that amount for which that other party can claim an Input Tax Credit, partial Input Tax Credit or other like set-off;
- (d) If a party is a member of a GST Group, references to GST for which the party is liable and to Input Tax Credits to which the party is entitled include GST for which the Representative Member of the GST Group is liable and Input Tax Credits to which the Representative Member is entitled; and
- (e) If, in relation to a Taxable Supply, an Adjustment Event occurs that gives rise to an Adjustment then the GST Amount will be adjusted accordingly and where necessary a payment will be made to reflect that adjustment. If a payment is required it will be made within five (5) Business Days of the date on which the Adjustment Note is issued by the Supplier.

22. CONFIDENTIALITY

22.1 Subject to clauses 22.2 and 22.3, each party must not disclose any Confidential Information without the prior written consent of the other party.

22.2 A party may disclose matters referred to in clause 22.1:

- (i) To those of its employees, officers, professional or financial advisers and bankers as the party reasonably thinks necessary but only on a strictly confidential basis; and



- (ii) If required by law, after the form and terms of that disclosure have been notified to the other party and the other party has had a reasonable opportunity to comment on the form and terms.
- 22.3 A party may make announcements or statements at any time in the form and on the terms previously agreed by the parties in writing.
- 22.4 If this Memorandum of Understanding is terminated prior to Completion, each party must:
 - (i) return any Confidential Information of the other party in its possession to that other party; and
 - (ii) do everything reasonably required by the other party to reverse any action taken under this Memorandum of Understanding.
- 22.5 This clause 22 will survive the termination of this Memorandum of Understanding.

23. RESOLUTION OF DISPUTES ARISING UNDER THIS MEMORANDUM OF UNDERSTANDING

- 23.1 If a dispute arises out of or in relation to this Memorandum of Understanding (“Dispute”) no party to the Dispute (“Disputant”) will start court proceedings (except proceedings seeking interlocutory relief) unless it has complied with this clause 23.
- 23.2 A party claiming that a Dispute has arisen must notify each other Disputant in writing giving details of the Dispute and its proposal for a resolution.
- 23.3 For a fourteen (14) day period after a notice is given (“Initial Period”) each Disputant must use all reasonable endeavours to resolve the Dispute and the Representative of each Disputant will meet within the first seven days of that period with that aim.
- 23.4 If the Dispute remains unresolved at the end of the Initial Period, it must be referred, by written notice from a Disputant to each other Disputant, to an Expert:
 - (i) agreed on by the Disputants; or
 - (ii) if agreement is not reached within seven (7) days of the notice for referral, a person appointed by the President of the Law Society of NSW.
- 23.5 Each Disputant must use all reasonable endeavours to ensure that the Expert is able to be appointed including, but not limited to:
 - (i) providing the Expert with all information it requests;
 - (ii) agreeing to the reasonable terms of appointment of the Expert; and
 - (iii) providing the Expert with such fees, indemnities and releases as the Expert may reasonably require.
- 23.6 The Expert will act as an Expert and not as an arbitrator. The decision of the Expert will be final and binding on all parties in the absence of manifest error.



- 23.7 Unless otherwise agreed between the Disputants, the place of the resolution of the Dispute will be in Sydney and the Disputants will be entitled to legal representation. The rules of evidence will apply to the resolution process.
- 23.8 Each Disputant must use all reasonable endeavours to ensure that the Expert is able to make a decision as soon as is practical, including, but not limited to, providing the Expert with all information relevant to the Dispute or that the Expert otherwise requests.
- 23.9 Any information or documents disclosed by a Disputant under this clause must be kept confidential and may not be used except to attempt to resolve the Dispute or the parties agree otherwise.
- 23.10 Each Disputant must bear its own costs of complying with this clause 23 and the Disputants must bear equally the Expert's costs unless the decision of the Expert states otherwise.
- 23.11 If, in relation to a Dispute, a Disputant breaches any provision of clauses 23.1 to 23.9, each other Disputant need not comply with those clauses in relation to that Dispute.
- 23.12 Despite the existence of a Dispute, each party must continue to perform its obligations under this agreement.

24. COSTS

- 24.1 Each party will bear its own costs in relation to the negotiation, preparation and execution of this Memorandum of Understanding and the Amalgamation.
- 24.2 Manly Leagues Club must bear and is responsible for all filing fees, transaction fees (including PEXA fees), duties, stamp duties or other similar imposts on or in respect of this Memorandum of Understanding and any document or transaction contemplated by this Memorandum of Understanding.
- 24.3 This clause 24 survives the termination of this Memorandum.

25. GENERAL PROVISIONS

- 25.1 This Memorandum of Understanding constitutes the entire agreement between the parties in relation to its subject matter. All prior discussions, undertakings, agreements, representations, warranties and indemnities in relation to that subject matter are replaced by this Memorandum of Understanding and have no further effect.
- 25.2 If this Memorandum of Understanding conflicts with any other document, agreement or arrangement, this Memorandum of Understanding prevails to the extent of the inconsistency.
- 25.3 The provisions of this Memorandum of Understanding will not merge on Completion of any transaction contemplated in this Memorandum of Understanding and, to the extent any provision has not been fulfilled, will remain in force.



- 25.4 Each person who executes this Memorandum of Understanding on behalf of a party under a power of attorney warrants that he or she has no notice of the revocation of that power or of any fact or circumstance that might affect his or her authority to execute this Memorandum of Understanding under that power.
- 25.5 This Memorandum of Understanding may not be amended or varied unless the amendment or variation is in writing signed by all parties.
- 25.6 No party may assign, transfer or otherwise deal with this Memorandum of Understanding or any right or obligation under this Memorandum of Understanding without the prior written consent of each other party.
- 25.7 Part or all of any provision of this Memorandum of Understanding that is illegal or unenforceable will be severed from this Memorandum of Understanding and will not affect the continued operation of the remaining provision or provisions of this Memorandum of Understanding.
- 25.8 Waiver of any power or right under this Memorandum of Understanding:
- (i) must be in writing signed by the party entitled to the benefit of that power or right; and
 - (ii) is effective only to the extent set out in that written waiver.
- 25.9 Any rights and remedies that a person may have under this Memorandum of Understanding are in addition to and do not replace or limit any other rights or remedies that the person may have.
- 25.10 Each party must do or cause to be done all things necessary or reasonably desirable to give full effect to this Memorandum of Understanding and the transactions contemplated by it (including the execution of documents).
- 25.11 This Memorandum of Understanding may be executed in any number of counterparts and all counterparts taken together will constitute one document.
- 25.12 If a party delivers an executed counterpart of this Memorandum of Understanding or any other document executed in connection with it ("**Relevant Document**") by email or other electronic means:
- (i) the delivery will be deemed to be an effective delivery of an originally executed counterpart; and
 - (ii) the party will still be obliged to deliver an originally executed counterpart, but the failure to do so will not affect the validity or effectiveness of the Relevant Document.
- 25.13 This Memorandum of Understanding will be governed by and construed in accordance with the laws in force in the State of New South Wales and each party submits to the exclusive jurisdiction of the courts of that State.



26. TERMINATION

- 26.1 Manly Leagues Club may terminate this Memorandum of Understanding at any time, without penalty, by giving written notice to Chatswood Club if:
- (i) The ongoing due diligence review undertaken by it on Chatswood Club is not at any time satisfactory to the Board of Manly Leagues Club at any time prior to Completion;
 - (ii) Chatswood Club breaches any warranty contained in clause 17;
 - (iii) The circumstances in clause 17.5 exist in relation to Chatswood Club;
 - (iv) Chatswood Club's members do not pass the resolution referred to in clause 15.1 at a general meeting within three (3) months of the date of this Memorandum;
 - (v) Manly Leagues Club's members do not pass the resolutions referred to in clauses 15.3 and 15.5 at a general meeting of Manly Leagues Club;
 - (vi) Chatswood Club is in breach of this Memorandum of Understanding and that breach is not capable of rectification or if able to be rectified it fails to rectify that breach within 10 Business Days of being given notice to do so;
 - (vii) The Authority does not grant Final Approval of the Amalgamation Application before the first anniversary of the date of this document;
 - (viii) Chatswood Club suffers a Material Adverse Event or a Material Adverse Regulatory Event; or
 - (ix) prior to 31 January 2025, Manly Leagues Club has not secured finance on terms accepted to it for the making of the loan to Chatswood Club as anticipated by clause 13 of this Memorandum of Understanding
- 26.2 Chatswood Club may terminate this Memorandum of Understanding at any time, without penalty, by giving written notice to Manly Leagues Club if:
- (i) Chatswood Club's members do not pass the resolution referred to in clause 15.1 at its general meeting;
 - (ii) Manly Leagues Club's members do not pass the resolutions referred to in clauses 15.3 and 15.5 at the general meeting of Manly Leagues Club; or
 - (iii) Manly Leagues Club is in breach of this Memorandum of Understanding and that breach is not capable of rectification or it fails to rectify that breach within 10 Business Days of being given notice to do so.
- 26.3 Either party may immediately terminate this Memorandum of Understanding at any time, without penalty, by giving written notice to the other if for any reason:

- (i) the other party suffers a Material Adverse Event provided that the Parties representatives have previously met and discussed such termination; or
 - (ii) a Material Adverse Regulatory Event occurs which is not appealable in any way or if appealable neither party has commenced such an appeal within sixty (60) days of such Material Adverse Regulatory Event.
- 26.4 Notwithstanding any other provision of this Memorandum of Understanding, if Completion has not occurred within ten (10) months of the date of this Memorandum of Understanding then either party by giving written notice to the other may, without penalty or liability to the other party, terminate this Memorandum of Understanding on one (1) month's written notice.
- 26.5 Termination of this Memorandum of Understanding does not affect the rights and remedies of any party accrued prior to termination.

27. NOTICES

- 27.1 All notices, requests, demands, consents, approvals, offers, agreements or other communications ("**notices**") given by a party under or in connection with this agreement must be:
- (i) in writing;
 - (ii) signed by a person duly authorised by the sender or, where transmitted by e-mail, sent by a person duly authorised by the sender;
 - (iii) directed to the recipient's address (as specified in clause 27.3 or as varied by any notice); and
 - (iv) hand delivered or sent by prepaid post to that address; or
 - (v) transmitted by email to the recipient's nominated email address (as specified in clause 27.3 or as varied by notice).
- 27.2 A notice given in accordance with this clause is taken as having been given and received:
- (i) if hand delivered at or before 4.30pm on a Business Day, on delivery, otherwise at 9.30am on the next Business Day;
 - (ii) if sent by prepaid post:
 - (A) within Australia, on the seventh (7th) Business Day after the date of posting;
 - (B) to or from a place outside Australia, on the fourteenth Business Day after the date of posting;
 - (iii) if transmitted by e-mail at or before 4.30pm on a Business Day, on transmission,



otherwise at 9.30am on the next Business Day.

27.3 If the notice is to Chatswood Club, then it must be addressed as follows:

Party: Chatswood Club
Attention: Mr Philip Sale
Address: 11 Help Street, Chatswood NSW 2067
E-mail: admin@chatswoodclub.com.au

27.4 If the notice is to Manly Leagues Club, then it must be addressed as follows:

Party: Manly Leagues Club
Attention: Mr Julien Bova
Address: 563 Pittwater Road, Brookvale NSW 2100
E-mail: julien@manlyleagues.com.au



SCHEDULE 1

ASSETS

All assets which are owned by Chatswood Club at Completion including without limitation:

1. all of the goodwill;
2. all real property including without limitation the Land which includes without limitation Lot 2 in Strata Plan 37395 (Folio: 2/SP37395)
3. all Plant & Equipment;
4. all Gaming Machine Entitlements;
5. all gaming machines ;
6. all intellectual property rights;
7. all memorabilia;
8. all assets of trade;
9. all business names;
10. all cash on hand, general reserves and investments;
11. the Club Licence for the Chatswood Club Premises with not less than twenty-four (24) gaming machine entitlements on it;
12. stock in trade;
13. domain names;
14. all other tangible and intangible assets;
15. insurance policies;
16. insurance claims; and
17. debtors.



SCHEDULE 2

TRADITIONS AND MEMORABILIA OF CHATSWOOD CLUB

A handwritten signature consisting of several overlapping, curved strokes, possibly representing the initials 'B' or 'P'.A handwritten signature consisting of the letters 'SL' followed by a long, horizontal, slightly wavy line. There is a small mark above the 'L'.

SCHEDULE 3

DEBTS AND LIABILITIES OF CHATSWOOD CLUB AS AT DATE OF MOU



SCHEDULE 4

CONTRACTS

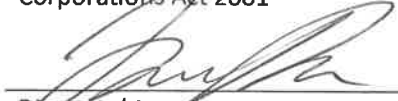


SCHEDULE 5
COMMUNITY SUPPORT

EXECUTED as a DEED:

Executed by **Manly-Warringah Rugby League Club Ltd ACN 000 193 251**)
pursuant to Section 127 of the)
Corporations Act 2001)



Director / Secretary



Director / Secretary

Julien Bova

Name of Director/Secretary
(print name)

WAYNE HONEYWOOD

Name of Director/Secretary
(print name)

Executed by **Chatswood Club Ltd ACN 000 148 354** pursuant to Section 127 of the)
Corporations Act 2001:)



Director / Secretary



Director / Secretary

SIMON CUMMING

Name of Director/Secretary
(print name)

DIRECTOR

Name of Director/Secretary
(print name) *PHILIP SALE*